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NEWS SUMMARY

GENERAL Nkomo tables amended plan

BUSINESS Gilts fall 0.50; Equities revive

New round of oil rises feared as Kuwait adds 10%

BY SUE CAMERON IN LONDON AND IAN HARGREAVES IN NEW YORK

Another round of major oil price rises may have been started by the decision yesterday of Kuwait, a traditionally moderate producer, to raise the price of its crude oil by 10 per cent.

Oil industry anxiety was intensified by Mexico, one of the largest producers outside the Organisation of Petroleum Exporting Countries, which warned U.S. oil company customers yesterday that it planned to raise the price of crude by \$4 a barrel. This is a rise of 17 per cent.

Rate of materials price rise doubles

Financial Times Reporter

THE fall in the value of sterling played a major part in doubling the rate of increase in the price of industry's raw materials last month. Manufacturing industry's bill for raw materials was 1.8 per cent up on August, which itself had seen a 0.8 per cent rise on the previous month.

WHOLESALE PRICES (1975=100) Table with columns for Raw Materials and Output (Home Sales) for 1978 and 1979.

Treasury to set out long term policy

BY SAMUEL BRITTON

MAJOR TREASURY announcements expected before the end of the year will set the tone of Government economic policy for the rest of the present administration.

These will cover short and medium term public spending plans, the rolling forward of the 11 per cent monetary targets, the decision on whether to publish a medium term monetary plan, the next set of short-term forecasts and, in some ways most important of all, the choice of a new chief economic adviser to replace Sir Frank Atkinson, who retires at the end of this year.

Patriotic Front joint leader Robert Nkomo told the Rhodesia constitutional conference last night that the Front found the British proposals defective in many respects.

Fellow Front leader Joshua Nkomo tabled an amended outline constitution, but Lord Carrington, the conference chairman, said there was little realistic prospect of agreement on the basis of a document differing substantially from his own plan.

● GILTS fell as hopes of a cut in MLR receded. Sterling lost up to 1.25p, long term up to 1.5p, an 18th day of gains. Security index closed 0.50 down at 72.61.

● EQUITIES responded to revived institutional demand and an FT 30-share index rose 6.4 to 486.8.

● STERLING dropped 4 cents to \$2.145, and its trade-weighted index fell to 68.3 (68.5). DOLLAR'S index rose to 85.2 (84.2).

● GOLD lost \$12 in London to close at \$374.1.

● WALL STREET was 7.85 down at 889.76 near the close.

● ITALY'S main commercial banks are expected to increase their lending and deposit rates after yesterday's 1.5 point rise in the central bank discount rate to 12 per cent.

● BARCLAYS BANK, one of Turkey's largest creditors, has closed its representative Turkish office, and is in the process of leaving the country.

● CEGB has agreed to buy at least 75m tonnes of British coal a year for the next five years. The National Coal Board has described the £10bn deal as the biggest ever concluded outside the Communist bloc.

● NORTH SEA oil and gas profits rose sharply to just offset a 10 per cent first-half drop in the profits of the rest of UK industry.

● PHILIPPINE Airlines has forced to reduce its domestic service from Thursday because of delays in deliveries of spare parts by 10 British companies.

● ESPERANZA, the UK transport and trading group, is standing by its decision not to go to the aid of its subsidiary, Caleb Brett and Son, which has been successfully sued for £2.1m by a U.S.-controlled oil trading company.

● ROSSMINSTER group of companies made £5m clear profit from marketing tax avoidance schemes between 1973 and 1978, according to Ronald Plumer and Roy Tucker who control majority stakes.

Rhodie jailed Dr. Eschel Rhodie, former mastermind of South Africa's secret propaganda war, was jailed for six years after being found guilty in Pretoria of fraud.

Basque killings Guerrillas stepped up their campaign of violence in Spain's Basque territory, killing three policemen including the head of the criminal investigation department in Pamplona—and injuring nine.

Election setback Japanese voters upset all predictions by retaining the ruling Liberal Democratic Party to office with only 258 seats, two more than the number required to give the party a bare majority in the Lower House of the Diet.

Tube attack A girl, aged between 12 and 15, was severely injured by a train when she was apparently pushed on to the line at Shepherd's Bush Underground station. A woman was later being interviewed by police after going to Notting Hill police station.

China visit Plans are being drawn up for Sir Keith Joseph, Industry Secretary, to visit China early next year, when he will discuss potential industrial orders for UK companies.

Body found The body of Cardiff taxi driver Jack Armstrong, who had been missing for nearly 72 hours, was found in a lona near Cowbridge, Glamorgan.

Radiactive leak The Swissair DC-8 which burst into flames while landing at Athens airport was carrying radioactive isotopes and some radioactivity leaked into the air, police said.

Briefly Aeter George Woolley—Joby Woodford in The Archers—died in hospital after a short illness.

Table with 2 columns: Company Name and Change (pence)

Fed 'to take further action if necessary'

BY DAVID BUCHAN IN WASHINGTON AND STEWART FLEMING IN NEW YORK

THE LATEST moves by the U.S. Federal Reserve Board—raising its discount rate (the rate at which it lends to banks) to a record 12 per cent and changing its market tactics to curb money supply growth—will contribute to greater stability in foreign exchange markets.

Other measures which the Administration could take, in addition to this weekend's moves by the Fed, include an increase in U.S. Treasury gold sales and an additional sale of so-called 'Carter Bonds'—U.S. Government bonds denominated in Deutsche Marks—to add to the U.S. reserves of foreign currencies for intervention purposes.

The Federal Reserve actions won support yesterday from Senator William Proxmire, chairman of the Senate banking committee, who said the decision to concentrate more on reserves it supplied to the commercial banking system "should help the Fed get a grip on money supply growth."

LADBROKE GROUP is to live off the control and management of its casino division into a separate wholly owned company to improve its chances of being granted renewal of three casino club licences next month.

Ladbroke plans to put the casino, bingo and lottery subsidiary businesses into a new company called City and Provincial Gaming Holdings.

Management: how an old engineering company is approaching the 'eighties' 15

Table with 2 columns: Market Index and Value

Latest quarter amount to 5 per cent, against 4 per cent in the previous three months.

In the 12 months to September raw material and fuel prices rose by 17 per cent compared with the August-August increase of 13 per cent.

Higher prices for crude oil, mainly resulting from the depreciation of sterling against the dollar, again made the main contribution to a 2 1/2 per cent rise in the cost of materials for industries other than those in food, drink and tobacco.

Higher prices for bacon, factory pigs and milk for manufacturing purposes made up more than half of the 1 per cent increase in the cost of materials to food manufacturing industries.

By the end of September the value of sterling against the dollar was 6 per cent lower than its high point in July.

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EUROPEAN NEWS

Italian banks expected to raise interest rates today

BY PAUL BETTS IN ROME

ITALY'S MAIN commercial banks are today expected to increase their lending and deposit rates, after yesterday's 1.5 point rise to 12 per cent in the central bank's discount rate. At a meeting of the Italian Banking Association, due today, the commercial banks are expected to increase their lending rate to prime borrowers at present standing at 15 per cent by between 1 and 1.5 points. Italian money market rates made a general upward adjustment yesterday, after the increase in the discount rate. The Bank of Italy also set higher selling rates for Treasury Bills which it sells on the secondary market maturing between February and August 1980. These went up by between 0.55 and 1.2 per cent above last week's rates. The general increase in Italian interest rates, reflecting concern over worsening inflation, is largely designed to halt pressure on the Lira. Differences between Italian rates and those of other markets had encouraged increasing short-term capital outflows during the past few days. The decision to increase the discount rate—the first adjustment in the key central bank rate since September 1978—was recommended by Dr. Paolo Baffi, outgoing Bank of Italy Governor, who formally stepped down yesterday. Dr. Baffi, when in the last four years has been largely responsible for the skilful custodianship of the Italian currency, handed over the Governorship to Dr. Carlo Ciampi, the former central bank Director-General. The minority Government of Sig. Francesco Cossiga, now under pressure from the unions, is understood to have hesitated before introducing the measures to curb money supply. The decision also reflects the monetary authorities' growing alarm over the acceleration of domestic inflation, now running at an annual rate of more than 15 per cent, or three points above the original target for this year. Italy's overall balance of payments performance is still expected to be satisfactory this year—with a large surplus, albeit smaller than last year—but a combination of factors are now putting renewed pressure on the economy. These include deteriorating terms of trade after the sharp rise to oil prices, worsening inflation, and a continuing increase in the unemployment rate, now standing at 8.3 per cent. The Government has also been facing growing union demands to boost growth and increase employment, particularly in the depressed south. Growth is expected to average about 4 per cent this year, but is expected to drop back to about 2.5 per cent in 1980. Signs already exist that the recent recovery in industrial production is ending. The unions yesterday criticised the decision to increase the discount rate. They claim the more rapid rate repercussions on industrial output.

Ecologists' gains shock W. German parties

By Jonathan Carr in Bonn

THE WEST GERMAN political parties have been shocked into analysis of their campaign strategy following the unexpected success of ecologists in a provincial election at the weekend. For the first time the so-called "Green List" has won representation in a Land (State) parliament, gaining 3.1 per cent of the vote in Bremen and four seats in the State legislature. The ecologists have had minor successes over the past year or two, but until now they have not been able to win the minimum 5 per cent support needed under German law to gain a parliamentary seat. The fact that they have now done so—with the country facing a general election a year from now—is being taken seriously by the headquarters of the main parties in Bonn. On the face of it, the Social Democrat Party (SPD)—the senior partner in the Government coalition in Bonn with the liberal Free Democrats (FDP)—has least cause for concern at the Bremen result. The SPD won 48.4 per cent of the vote, slightly more than it did in the last Bremen state election—and will continue alone to form the government. The main opposition Christian Democrat Party (CDU) saw its support fall—to 31.9 per cent from 33.7 per cent. This was not unexpected. The local CDU leader recently resigned because he deplored opposition to the decision, at national level, to choose the right-leaneur Herr Franz Josef Strauss to lead the opposition into next year's general election. But the most unsatisfactory result was that of the FDP—which saw its share of the vote drop from 12.8 per cent to 10.7 per cent. The FDP gained only 7.9 per cent of the vote at the last general election in 1976—and thus can ill afford the new competition the ecologists present.

EEC to boost electronics

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT IN BRUSSELS

THE EUROPEAN Commission intends to make a number of proposals before the end of this year aimed at helping Community industry capture, by 1990, one-third of the world market in telecommunications equipment, computers, micro-processors and related fields. Mr. Roy Jenkins, president of the Commission, said yesterday that Europe was already lagging way behind the U.S. and Japan in exploiting this market. He warned that without a big concerted effort the gap would widen during the next few years. The scale of effort required would not be achieved by European countries acting alone, he said. The Commission was planning to make a "major initiative" before the European "Summit" in Dublin at the end of next month which would call for EEC action in four broad areas: ● The removal of trade barriers and discrimination among EEC member states, to encourage the development of a genuine common market in advanced technology; ● The establishment of common technical standards throughout the Community to make different types of equipment compatible with each other; ● Greater harmonisation of public procurement policies, designed to open up national markets to companies in other member states and to afford them a degree of preference over competitors based outside Europe; ● Closer co-ordination of national research and development programmes, especially in the space, telecommunications and micro-processor fields. The Commission is expected to propose that the EEC help finance certain joint projects undertaken by two or more countries.

The broad strategy envisaged is mainly the brainchild of Viscount Etienne Davignon, the Industry Commissioner, who is keen to extend his area of interest beyond contracting sectors like steel and textiles. The Commission's past attempts to foster common policies for expanding industries like aerospace have foundered because they were considered politically too ambitious. Viscount Davignon clearly hopes that by basing his proposals on closer collaboration between national Governments and on strengthening the EEC's internal market he will be able to win a wider measure of support. The plan, however, will have in surmount a number of obstacles, perhaps the most important being rivalry between different member countries.

EEC on agenda at Eanes talks

BY ROBERT MAUTHNER IN PARIS

PORTUGUESE membership of the European Common Market will be a main subject on the agenda at talks between President Giscard d'Estaing and President Antonio Ramalho Eanes of Portugal (right), who arrived for a four-day official visit to France yesterday. In spite of the lukewarm attitude adopted by France to Portuguese entry to the Community when Portugal made its application in 1977, the Portuguese have been encouraged by President Giscard d'Estaing's latest statement on the subject. During a visit to south-west France last week, the President went out of his way to state that the entry into the Community of both Portugal and Spain was in the interests of France. He was speaking in a wine-growing region which is strongly opposed. Portugal has also received assurance from M. Giscard d'Estaing on another subject of potential conflict between the two countries—the future of 900,000 Portuguese immigrants working in France. In a letter addressed to Gen. Eanes last month, the French President gave as underlining that new regulations affecting immigrants in France would not apply to the Portuguese community. In an interview with Le Monde, Gen. Eanes underlined his European convictions and stressed that Europe should become increasingly independent. But he was equally firm in emphasising the need for the maintenance of the North Atlantic Treaty Organisation for as long as the Warsaw Pact



Spanish town in Gibraltar border protest

By Our Own Correspondent

THE MAIN political parties, trade unions and other public bodies in the Spanish border town of La Linea have today called a day of protest over the area's economic decline since the Madrid Government closed the frontier with Gibraltar ten years ago. The Spanish Government has since lifted the ban on telephone communications. There are also hopes that formal talks on Gibraltar's future will reopen following a meeting at the United Nations recently between Lord Carrington, the British Foreign Secretary, and Sr. Marcelino Oreja, his Spanish counterpart. Meanwhile the fog has grown in La Linea that unless Madrid is prepared to provide help on a large scale, the town will be unable to overcome the mounting problems brought about by the border closure.

Belgium threatened with a new political crisis

BY GILES MERRITT IN BRUSSELS

THE SPECTRE of another Belgian political crisis has been raised to Brussels by opposition inside the coalition Government to proposals that would reduce the country's deficit on public expenditure. The francophone Socialist Party, which is a key partner in the six-party coalition headed by M. Wilfried Martens, is considering its position in relation to public spending cuts that might include a reduction in health benefits and lighter rules for unemployment benefit. The Socialists, who have 31 seats in the 212-seat Belgian lower house, are to decide by next weekend whether they will remain in the coalition. If they leave, Belgium is likely to be faced with its thirty fifth political crisis in 40 years. Although M. Martens could continue without the Socialists, it is likely that their defection would trigger a further general election only six months after he took office. The Socialists' re-examination of their membership of the Government stems from proposals that are understood to have been discussed in Cabinet for reduced spending on social security. The question is closely linked to talks with the trade unions and employers on a wage moderation package. But trade union concern has been mounting recently over suggestions that the Government might this week use a royal decree to cut security benefits. M. Martens hinted at such a move earlier this month when he announced measures to reduce Belgium's 1980 public sector borrowing requirement of Bfr 240bn (about £4bn) by Bfr 20bn.

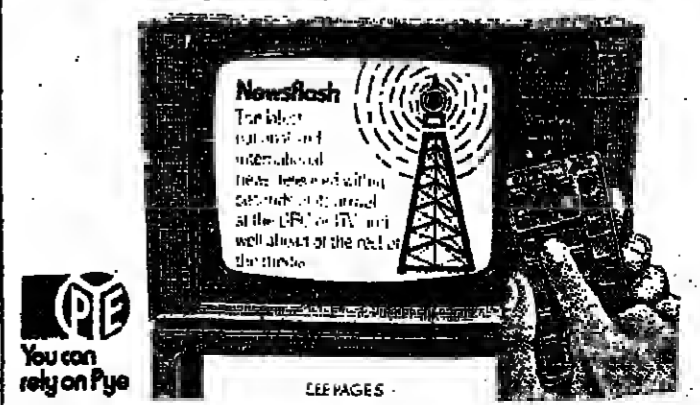
Dutch industry picks up

BY CHARLES BATCHELOR IN AMSTERDAM

THE FORTUNES of Dutch industry improved again in the second quarter of this year, according to the central bank. Companies sold more and investment picked up. Exports increased by 3 per cent in volume in the quarter compared with the first three months. Investment at home also increased as the construction industry recovered from the effects of the severe winter. Private spending on the other hand was unchanged and has remained constant since the third quarter of 1978. Although the bank did not comment, this development will be welcome in view of its warning earlier this year that individual's spending and industrial investment were out of balance. Industrial production recovered in the quarter to levels reached before the winter downturn and surveys of busi-

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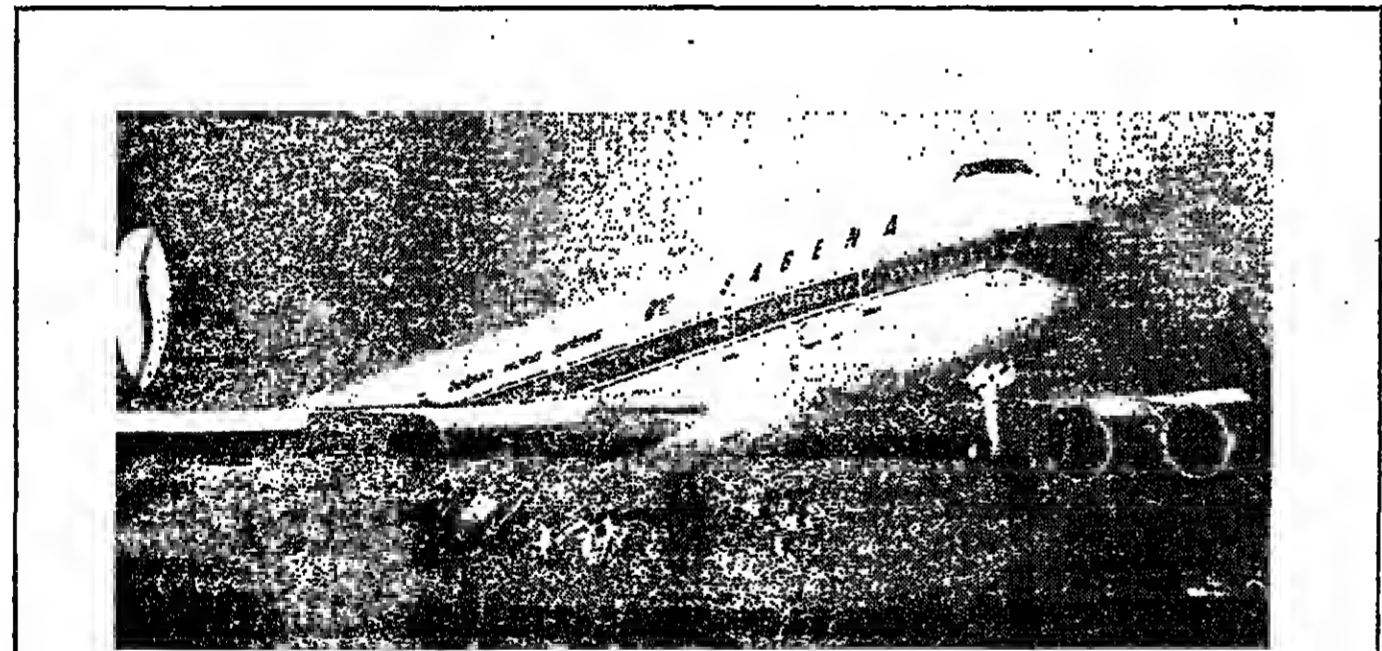
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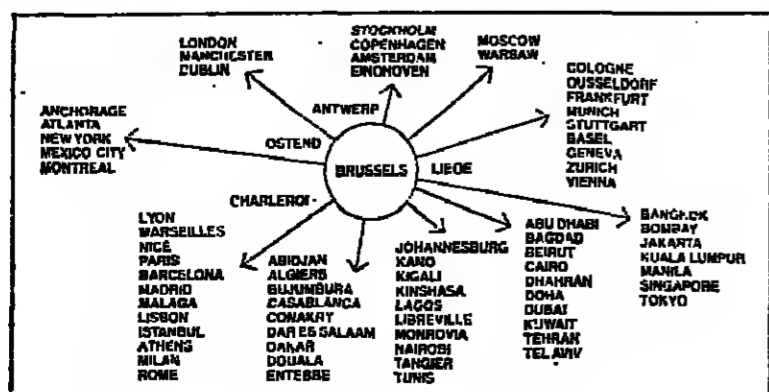
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OVERSEAS NEWS

Japan, after the Liberal Democratic Party's general election disappointment, is assessed by Charles Smith and Richard Hanson
Dismay on stock market Prime Minister 'mystified' by setback at Ohira's poor showing

THE TOKYO stock market reacted badly to the failure of Mr. Masayoshi Ohira's Liberal Democratic Party to achieve an absolute victory in Sunday's lower house election, with the Nikkei Dow index plunging after a largely brilliant pre-election performance. The stock market's ebullience over Mr. Ohira's showing will probably be short-lived (yesterday's ¥50 drop in the index to ¥6,486 came on rather low volume) because the market is basically still strong.

air-conditioning during the summer and closed petrol stations on Sunday. Japan has maintained a calm which belies its absolute dependence on imported oil. Prices however, have already shot up sharply, particularly for heating fuels, demand for which has just begun to increase. It is possible that Japan will face both a supply and price crunch this winter. The Government has been very quiet about just how much oil Japan can be assured of importing. A stable parliamentary majority for Mr. Ohira would have made swift handling of a worsening oil situation easier, if not less painful. It has been suggested that the oil crisis this time was postponed until after the election. The government has committed itself to policies aimed squarely at controlling inflation caused by rising oil prices by tightening credit and curbing government spending. Wholesale prices have soared as a result of higher oil prices, but the consumer price index has been remarkably stable at around 3 per cent annually. This rate is optimistically expected to rise only to about 5 per cent. At the same time,

the Government hopes to sustain a moderately rapid pace of economic growth while fighting inflation. This will require sustained confidence in the private sector which, according to pre-election surveys, has planned a considerable amount of spending for new plant and equipment. Mr. Ohira will have to work hard now to retain the confidence of the private sector. One factor contributing to Mr. Ohira's election woes appears to have been his advocacy early in the campaign, of the need for new tax burdens. This would help the Government bring its floated finances into line, a necessity if Government deficits are to be eliminated as a source of inflationary pressure. The national budget this year is funded nearly 40 per cent by huge floats of national bonds. Opposition to the idea of a tax increase, came not only from opposing political parties but from within the Liberal Democratic Party itself. It now appears likely that legislation on tax reform will be delayed. The party's margin in the lower house is not strong enough to control the key budget committee.



Mr. Ohira: difficult times ahead

THE RULING Liberal Democratic Party's failure to win more than a bare majority of seats in last Sunday's election to the lower house of the Japanese Diet is expected to weaken seriously the position of Mr. Masayoshi Ohira, the Prime Minister, as Party Leader—even though it may not lead to his resignation. Mr. Ohira, who has led the Party for just under a year, was personally responsible for dissolving the Diet in September, a year ahead of the constitutional deadline, and appeared confident throughout the three-week campaign that the Party would win an increased majority. He professed himself to be 'mystified' by the result in a post-election press conference, suggesting only that campaign organisers must have been over-confident and that 'top people' in the Party (presumably including the five ex-Cabinet Ministers who were defeated) had 'not tried hard enough.' One of Mr. Ohira's predecessors as Party leader, Mr. Takeo Miki, who was himself forced to resign after the LDP did poorly in the 1976 general election, suggested yesterday that the Prime Minister should give serious thought to accepting responsibility for the election setback. Mr. Miki, however, did not explicitly call for Mr. Ohira's re-

signation and no other party leader has spoken up in any form like such explicit terms. One reason why Mr. Ohira is likely to be able to keep his job is that there is no obvious successor in sight—as there was when Mr. Miki was pushed out of office in 1976, or when Mr. Ohira succeeded Mr. Takeo

factions when he reforms his Cabinet next week. The allocation of Cabinet posts, however, promises to be an extremely delicate matter given that Mr. Ohira's personal following is now one of the smallest of the four 'main' factional groupings making up

victory. Mr. Ohira can be expected to do his utmost to avoid catastrophe at the next election facing the party for half the seats in the upper house of the Diet. The upper house election is due in July, 1980, and could easily cost the party its majority, which at the moment consists of a single seat. Political analysts believe that co-operation between the four small centre-left parties, which helped to swing votes away from the Liberal Democrats in Sunday, could be an even bigger factor in the upper house poll. Voting for the upper house takes place party in a 'national constituency' where the entire electorate votes for a single list of candidates and party in local multi-member constituencies with from one to three seats. It is in the latter that centre party electoral alliances could prove particularly damaging to Mr. Ohira's party. Failure to win in the July upper house elections could well cost Mr. Ohira his chance of being re-elected as party president at the end of 1980 (when his two-year term of office expires). At present, however, the Prime Minister lacks an obvious, or even remotely eligible, successor.

Table with 4 columns: Party, Seats won Sunday, Won in 1976 Election, Strength at time of September dissolution. Rows include Liberal Democratic, Japan Socialist, Komeito, Japan Communist, Democratic Socialist, New Liberal Club, Social Democratic Federation, Independents, and Total 511 Seats.

Fukuda in the premiership last year. The immediate consequence of the election setback is likely to be the dropping of Mr. Ohira's close associate, Mr. Kunikida Saito, from the key post of party secretary general (the office which carries direct responsibility for election management). Mr. Ohira may also be obliged to give some important posts to adherents of rival intra-party

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Rhodie sentenced to six years' jail

BY BERNARD SIMON IN JOHANNESBURG
DR. ESCHER RHOODIE, the former secretary of the South African Department of Information, who masterminded the Vorster Government's propaganda war, was yesterday sentenced to six years' imprisonment for fraud. Dr. Rhodie's trial was the culmination of the so-called Muldergate scandal, which involved the abuse of some R55m (about £7m) of public funds for the financing of clandestine projects aimed at wooing friends for South Africa. The scandal has already led to the retirement from public life of former Prime Minister, Mr. John Vorster, and the disgrace of the man who was at one time favourite to succeed him, Dr. Connie Mulder. The main point at issue in Dr. Rhodie's trial was whether the R83,000 which he drew from the Information Department's secret funds was legitimately paid to anonymous collaborators or whether he used the money for personal purposes. In his evidence, Dr. Rhodie claimed that it had been departmental practice for senior officials to use personal funds to pay agents, and then to be reimbursed by the department. He said that some of these collaborators—several of whom had since died—left the country—had refused to issue receipts or sign any documents. Delivering judgment, Mr. Justice Tabor described Mr. Rhodie's version of events as a 'made-up story and unconvincing.' He said that Dr. Rhodie should have advised his superiors of these unusual financial arrangements. The court convicted Dr. Rhodie on five charges of fraud involving R63,000, but found him not guilty on two charges of theft. Dr. Rhodie is appealing against the conviction. The trial, which followed Dr. Rhodie's extradition from France in August, produced several new disclosures concerning the Information Department's clandestine attempts to improve the Nationalist Government's image in South Africa and abroad. These included evidence that Mr. Vorster's official visit to Israel in 1976 was part of a secret project launched by Dr. Rhodie, known as the 'Jewish programme,' which was coordinated by a prominent Jewish architect in Pretoria. Dr. Rhodie testified that part



of this campaign was to get Jewish backing for the state-funded newspaper, The Citizen, on the basis of the newspaper's support for Israel 'through thick and thin.' Among others who received funds from the Department of Information was the Committee for Fairness in Sport, which launched a worldwide advertising campaign to promote the Government's sports policies. Dr. Escher Rhodie: appealing against conviction. The question now is whether Dr. Rhodie's conviction marks the end of the Muldergate saga. There is no doubt that most of the South African public have become bored with the information affair. Moreover, there is a widely held view that, even if Mr. Botha and Mr. Horwood knew more about the goings-on in the department than they have cared to admit, they are doing a sufficiently good job now to deflect pressures on them to resign. Some influential observers feel, however, that damaging facts about Muldergate may still be hidden from the public eye. In a speech last week, Mr. Rex Gibson, editor of the Sunday Express newspaper, which was instrumental in exposing Muldergate, argued: 'We still have not heard the full story.' He added: 'We don't know whether some people have been made scapegoats and others allowed to go unscathed. And we don't know anything about the 50 or 60 projects from the bad old days which are still being carried on.'

Two major Iranian banks make changes at the top

BY ANDREW WHITLEY
THE Iranian Government has named new heads for two of its banks, replacing two of the dwindling corps of senior professional bankers left in Iran. Further changes are expected as the clergy-dominated Revolutionary Council tightens its grip on the economy. The new head of Bank Mellat, by far the country's largest bank, is to be Dr. Hosein Seyyed Almasi, a 48-year-old career banker who has handled the affairs of the small Darius Bank and the much larger Bank of Tehran since the revolution. Educated in France, his appointment will reassure anxious foreign bankers that there will be continuity of policies at Bank Mellat. Dr. Almasi replaces Mr. Jalil Shoraki who left Tehran recently to take up the post of chairman and managing director of the Iran Overseas Investment Bank in London, at his own request. The Revolutionary Council has criticised the Government for allowing him to leave the country. The other change announced yesterday by banking officials in Tehran involves the head of the country's main development bank, the Industrial and Mining Development Bank. Mr. Reza Moghadam, the man appointed to run the IMDBI after the nationalisation of the banking system in July, has been temporarily replaced by his deputy, Mr. Bagher Baradar. Reports from Tehran said yesterday the most likely replacement for Dr. Almasi to be one of four or five major units after a forthcoming merger of nationalised banks—the first head of the Gendarmerie, a provincial police force, after the overthrow of the Shah. General Montaz is a conservative figure who was forced into retiring by more radical elements.

مکانم الاجمیل

Carter aims big guns at Florida

BY DAVID BUCHAN IN WASHINGTON THE WHITE HOUSE is bringing up its biggest guns and speeding up federal grants to Florida to try to deliver an early blow to the presidential ambitions of Senator Edward Kennedy.

Florida are making this Saturday's delegate selection a major test of strength. Mr. Carter hopes at the very least to slow the momentum of the pro-Kennedy movement inside the Democratic Party...

Brazil plans £30bn electricity investment

By Diana Smith in Brasilia THE BRAZILIAN Government is to invest Cr 2 trillion (million million) (£30.7bn) between 1980 and 1990 in electricity capacity.

Guyana seeks talks with IMF on loan facility

BY MUHAMMAD HAMALUDIN IN GEORGETOWN GUYANA IS being forced to re-negotiate an extended financing facility of about \$41m arranged with the International Monetary Fund last June...

Miller warning to Senate on aid

BY OUR WASHINGTON CORRESPONDENT U.S. SPENDING with Third World countries would be severely damaged if the Senate fails to eliminate restrictions attached to the House of Representatives to money for the World Bank and other international lending agencies...



Mr. Robert McNamara

Mr. Robert McNamara, the World Bank president, reiterated at the bank's annual meeting in Belgrade last week that he could not accept such a blacklist attached to the U.S. contribution.

Delays hit NY insurance exchange

BY OUR NEW YORK STAFF PREPARATION FOR starting New York's insurance exchange have hit further obstacles. It may now not open for business until mid-1980, according to reports here in New York.

U.S. companies happy with outcome of pay talks

NEW YORK — Despite sizeable wage increases won by car workers, most U.S. companies are negotiating labour contracts they find acceptable, the Conference Board said in a report on labour relations.

Castro 'to address UN General Assembly soon'

HAVANA — President Fidel Castro will visit the UN soon, for the first time since 1960, Cuba's official daily newspaper, Granma, said yesterday.

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Advertisement for Pye Teletext showing a TV screen displaying 'Weather' and 'Today's Road Conditions' with a hand pointing at the screen.

Engineering group to cut 500 jobs

BY RHYS DAVID, NORTHERN CORRESPONDENT

MATHER AND PLATT, the Manchester engineering group, has told unions that it plans to reduce its labour force by about 500. The company blames lack of orders, over-manning and the competitive problems posed by the high rate of sterling.

The engineering union strikes had made conditions even more difficult, the company said yesterday. Most of the jobs (390) will go at Park Works, Newton Heath, where 2,600 workers make fire fighting equipment and pumps.

The Globe Iron Works, a small foundry and workshop at Radcliffe, will close, with the loss of 60 jobs. Another plant at Radcliffe, Bradley Fold, which makes textile finishing machinery and food processing and canning equipment, will lose 60 of its 650 jobs.

Shortage of skilled labour in Midlands

BY LORNE BARLING

A SHORTAGE of skilled workers is restraining the growth of industrial companies in the West Midlands, according to a survey carried out by the Birmingham Chamber of Commerce.

The study showed that tool-makers, vital to the engineering industry, were most difficult to find, followed by draughtsmen, design personnel, and sheet-metal workers. Overall, companies made it clear that recruitment difficulties were restraining output. The chamber said it had become increasingly aware in recent months of the concern building up over the shortage of skilled labour, and this was reflected in its quarterly economic surveys.

For this reason, it had conducted a special survey among an unspecified number of its member companies, ranging from very large to small. It has also set up a working-party with members from 10 companies to conduct further inquiries. There was little evidence of the cause of the shortage, but it was not apparently due to lack of training.

Housing starts fall sharply in August

BY ANDREW TAYLOR

WORK BEGAN on 18,100 new houses and flats in Great Britain in August—the lowest monthly total since February. Figures produced by the Department of the Environment showed that housing starts in August were almost 11 per cent lower than a year earlier. Housing completions totalled 16,700, down almost 20 per cent from a year ago.

Public-sector housing remains the worst-affected with starts falling by 20 per cent in the three months ending in August from a year earlier, according to seasonally adjusted figures. Public-sector completions were 3 per cent higher than in the previous quarter but 24 per cent down from a year ago.

Starts in the private sector were up 18 per cent from the previous three months, but down 5 per cent from the year-earlier quarter.

Leaf from Mughal album fetches £18,000

BY ANTHONY THORNCROFT

SOTHEBY'S started its autumn week of Islamic sales with an auction of oriental miniatures, manuscripts and Qajar lacquer which brought in £29,390. The best price was the £18,000, about double the estimate, paid for a leaf from a Mughal album, a miniature of about 1590, showing a young prince relaxing during a hunting expedition, attributed to La'.

An illustration to a manuscript, also Mughal and produced in about 1600, showing Prince Salim hunting, made £10,000. An indication of the rising prices for Indian art is the £1,800 which secured an Indian Stork, a watercolour of

about 1800. In 1976 it sold for £600. Christie's sold Japanese ivory carvings and netsuke yesterday for £79,370. The top prices were the £3,000 for a fine ivory carving of a hunter of the late Meiji period, and £1,900 for an ivory-mounted presentation tachi of the late 19th century.

A small early 13th century Dutch silver box sold to a private collector for £8,500, twice its estimate, at a Phillips and Jollis silver sale in Bath yesterday.

SALE ROOM BY ANTHONY THORNCROFT

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Mersey Docks to build £8.5m Liverpool berth

BY RHYS DAVID

MERSEY Docks and Harbour Company is to spend £8.5m on a new berth at Langton Dock in Liverpool in spite of its pre-tax loss of £2m in the first half of the year.

The berth is for Combi-vessels, which carry containers and general cargo. The investment, which will be financed by borrowings, is needed, says Sir Arthur Petersen, the chairman, to keep the port abreast of future trends. The changeover to container ships throughout the world is now thought to be slowing down. A number of countries are expected to rely on Combi-vessels to meet their

trading needs over the next 20 years, rather than changing completely to container vessels. The Combi-vessel berth—approval for which has been given by Mr. Norman Fowler, the Transport Minister, is expected to be in operation in four years.

The scheme involves quay space able to take four ships, a 22-acre open area, new sheds, offices and workshops, and will be capable of handling half-a-million tonnes of cargo a year. The port's losses are being blamed on external factors and disguise what appears to have been a partial trade recovery over the past six months, with general cargo showing its first

upturn for some time. Operating revenue in the first half was £23.36m roughly the same as in the previous year, on which an operating loss of £962,000 compared with a profit of £1.78m in the same period last year, was incurred.

The company estimates that the transport strike in January and February cost more than £1.5m. The other major drain was voluntary severance payments, a total of £1.2m as a result of a reduction of more than 500 in the labour force. Prospects for the second half again look to be difficult with more redundancies—possibly 750—needed to bring the labour force into line with demand.

Welsh steel plants 'risk closure'

BY ROBIN REEVES, WELSH CORRESPONDENT

EVERYONE of the five British Steel Corporation profit centres in Wales, including Llanwern and Port Talbot, is at risk of closure unless it moves into profit, according to Mr. Peter Allen, managing director of the corporation's Welsh division.

Emphasising that BSC was taking deadly seriously the Government's demand for the corporation to balance its books by March, Mr. Allen said that

every management group now had a responsibility to get its individual works into profit. "And if we do not get them into profit then I think we will have to live with the consequences. I think it inevitable that some closures will take place," he said in a radio interview.

The plants at risk included—as well as Llanwern and Port Talbot steelworks—the triple group and the composite works

within the Associated Products Group. He rejected the suggestion that he was simply indulging in a management ploy to frighten the workforce. The British taxpayer had funded the steel industry for long enough. It was time to question whether the country could afford to continue subsidising the industry now that its capital investment programme was nearly complete.

'Realistic rate grant promised'

By Paul Taylor

THE GOVERNMENT will set "realistic" cash limits on the additional rate support grant to local authorities to cover inflation in 1980-81, and once the limits are set there will be no more cash. Mr. Michael Heseltine, the Environment Secretary, told local government leaders yesterday.

His assurance that the limits would not be artificially low came at a meeting of the Consultative Council on Local Government Finance attended by Ministers and representatives of local government associations. The amount of the grant, to be announced next month, will be a major factor in determining size of rate increases next year.

Local authority associations have been concerned that cash limits might be unrealistic. Mr. Heseltine's announcement was "warmly welcomed" by the local authority leaders at the meeting, including Sir Gervas Walker, chairman of the Association of County Councils.

The associations however did tell the Secretary of State that they could not predict the service-by-service effects of the five per cent £600m. cut in council expenditure next year already requested by the Government.

Motor part industry may have a 'Neddy'

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A "LITTLE NEDDY" for the motor components industry may be set up next year by the National Economic Development Council once it has decided the future of 17 sector working parties which have not been doing effective work.

This emerged yesterday after the NEDC had decided to abolish seven Little Neddies and sector working parties set up under the last Government's industrial strategy exercise and to give a further 17 of the groups six months to develop effective programmes of work or face abolition.

The idea of setting up a Little Neddy for the motor industry has been mooted several times in recent years, but has not been backed by the companies involved.

Mr. Eric Varley, Secretary for Industry in the last Government, was chairman of a tripartite group which brought together senior people from the industry's companies and unions. But it achieved little and has not met since Sir Keith Joseph became Industry Secretary.

Yesterday Mr. Geoffrey Chandler, director general of National Economic Development Office, said motor components were one large area where a sector working party or Little Neddy might be useful. But he stressed that no formal proposals had yet been made.

He was speaking after a meeting of the NEDC had reaffirmed support for the working party system. The Government and the CBI now both want the groups to concentrate on productivity, competing with imports, import penetration and maker-user relationships.

The 17 groups given six months to prove their worth include the electronics, Little Neddy and sector working parties covering automation and instrumentation, computers, and telecommunications. The Industry Department is interested in streamlining their work, perhaps through mergers.

In mechanical engineering, five sector working parties covering constructional steelwork, diesel engines, fluid power, industrial trucks, and textile machinery are among the 17, partly because some of those involved have not worked together well.

The remaining groups in the 17 are: the rubber processing working party which has failed to tackle effectively the tyre industry's problems; the wool textiles, Little Neddy whose pace of work has slackened in recent months; the foundry and distributive trades Little Neddies; and sector working parties covering petrochemicals, which has had rows over investment policies, pharmaceuticals, and industrial electrical equipment.



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UK NEWS

CEGB in £10bn coal deal

BY MAURICE SAMUELSON

THE CENTRAL Electricity Generating Board has agreed to buy at least 75m tonnes of British coal per year for the next five years as part of its efforts to reduce the amount of oil burned in power stations in England and Wales.

The deal, worth £10bn at present prices, and an estimated £14bn on the basis of inflation, has been described by the National Coal Board as "easily the biggest coal deal ever concluded outside the Communist bloc." It could also mark the end of the traditionally stormy relations between the two State-owned industries.

It was signed yesterday afternoon at the Coal Board by Mr. Malcolm Edwards, the NCB's chief marketing director, and Dr. Trevor Broom, the CEGB operations director tomorrow. NCB officials will present the details to leaders of the National Union of Mineworkers.

Mr. Edwards said the deal was a "major step" towards the NCB's pledge to keep its prices within the prevailing rate of UK inflation. The formula for calculating this, linked to the retail price index, was finally settled last Friday by Mr. Edwards and Mr. Fred Bonner, the CEGB's deputy chairman.

Although the agreement is in the form of an understanding contract, both boards are firmly committed to it. It obliges the NCB to do its utmost to supply 75m tonnes a year, keeping any price increases within the national inflation rate. The CEGB has agreed not only to pay for the coal but to accept delivery, however full its stock yards.

By being able to show miners that there is now a guaranteed market for greater coal output, the NCB hopes that it will encourage better productivity and improve industrial relations. Sir Derek Ezra, NCB chairman, commented: "This means

our pits can go ahead and raise production in the knowledge that we can sell the coal."

The assurances on price rises are intended to increase the CEGB's incentive to buy British, rather than cheaper foreign produced coal. It will still be able to buy abroad—it has about 2m tonnes on order from Australia and the U.S. for 1980-1981—but only on the understanding that this does not jeopardise its UK purchases.

Mr. Glyn England, chairman of the CEGB, said the CEGB would continue to rely on UK coal to meet the greater part of its needs "if prices stay in line with UK inflation."

He added: "We want the coal industry to be strong and viable and have no doubt that coal as well as nuclear power has a vital role to play in meeting the nation's demands for electricity."

The 75m tonnes a year purchases will help the CEGB to

exceed last year's consumption, 75.5m tonnes, a rise of 5m tonnes over 1977-78 and 8m tonnes more than in 1976-78.

The deal also means that the CEGB will have to supply the NCB with more than last year's 69.1m tonnes, which fell short of the expected level of 72m tonnes. The shortfall was due partly to the bad winter weather and industrial action by train crews, as well as to inadequate production.

However, the NCB is confident of reaching the 75m tonnes target. Its task is made easier by the fall in demand from the

two boards report that after a major effort, and co-operation with British Rail, supplies are so far on target for this year.

The supply of 75m tonnes this year has been achieved by depleting the Coal Board's stocks. Production from Britain's mines will need to be increased if the Board is to continue to supply at the same rate.

'More jobs' plea for disabled

Financial Times Reporter

MR. JAMES GOULD, vice-chairman of the Scottish Confederation of British Industry, emphasised yesterday a need for employers to provide more opportunities for disabled people.

He was opening a travelling "Fit for Work" exhibition, mounted on a train, organised by the Manpower Services Commission, at Glasgow. It portrays the problems and potential of disabled workers.

Mr. Gould said that the commission had placed 5,900 in jobs in Scotland, and 411 learnt new skills.

"In the last year in Scotland 1,975 disabled people used employment rehabilitation centres while employment aids and help in necessary building operations in places of employment were provided for a further 750 people."

But there was room for more opportunities for the disabled, and "we the employers must face up to our responsibilities more than we have done in the past."

The disabled's problems should be a routine part of personnel function, he said. Independent research showed that the disabled worker tended to be more loyal, more punctual and more reliable than others.



Mr. Harold Macmillan, the former Prime Minister, polishes the nameplate of the locomotive named after him. To the right, at the Euston unveiling ceremony, is Mr. Norman Fowler, the Transport Minister. The engine's first task was to haul a Conservative Party-chartered train to Blackpool.

Callaghan begins battle to restore his authority

BY PHILIP RAWSTORNE

MR. JAMES CALLAGHAN today begins his fight to re-establish his authority in the Labour Party after the reversals of last week's conference.

The Shadow Cabinet is to meet at the Commons to discuss its approach to the forthcoming

inquiry into party organisation and finances.

Mr. Callaghan and his colleagues will demand representation on the inquiry, whose report—in he submitted to next year's conference—is likely to have a decisive influence on the party's future.

A meeting of Labour MPs is expected soon after the Commons reassembles later this month to determine the main demands that they will put to the inquiry and to prevent any further undermining of their position.

Dr. David Owen, former Labour Foreign Secretary, said last night that the real battle for democracy in the Labour Party was now starting in earnest.

"So far we have had a power struggle under the guise of democracy," he told a party meeting in Hornsey. "Now the inquiry will have to face the real issues."

Basic issues

The parliamentary party wanted representation on the inquiry and on the National Executive Committee and greater involvement in policy-making both when in Government and when in Opposition, Dr. Owen said.

There was also little doubt that Labour MPs would vote for a parliamentary committee.

"Similarly, the individual member of the party should be given the right to a postal ballot in the selection or re-selection of their candidate or MP, in the choice of their constituency representative, possibly from the regions, to serve on the national executive," he said.

Dr. Owen said it was time the party used the technology of

computerised membership to involve all its members in these basic issues.

Individual membership of the party would be worthwhile and worth paying for if it carried with it the power to vote . . . we have had a penny-farthing party structure for too long."

Dr. Owen suggested that public funds could be used to finance internal party elections in the same way that the Conservative Government proposed to make them available for trade union elections.

Mr. Callaghan leaves London tomorrow for an eight-day visit to the Middle East. The Leader of the Opposition will spend three days in Egypt where he will have talks with President Sadat and other leading politicians before flying direct to Israel for another three days of talks with Prime Minister Begin, other Israeli Ministers and officials of the Israel Labour Party.

On October 15, Mr. Callaghan will be guest of honour at the Balfour Dinner given yearly in Tel Aviv. Accompanied by his wife, Mr. Callaghan will then go on to Jordan for a meeting with King Hussein before returning to London on October 18.

Hair spray cans 'dangerous'

A WARNING about the "dangerous state" of some Italian V05 hair spray aerosols has been issued by Mrs. Sally Oppenheim, Minister for Consumer Affairs. The cans, about five years old, were made by L. Manetti—H. Roberts et Cie and labelled in Italian.

Argos cuts prices by 10%

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE ARGOS discount stores chain, a subsidiary of BAT Industries, yesterday launched a major price cutting campaign to win back some of the sales lost after the Budget. It also seeks to capture a share of the anticipated increased consumer

spending this month through tax rebates.

Argos is reducing by 10 per cent the prices of 173 popular branded products—ranging from electrical goods to jewellery—in a promotional package worth about £300,000.

It is the first time that Argos,

which gives customers a catalogue listing prices of the 2,000 different items stocked, has reduced its published prices during the life of a catalogue.

Argos has printed 2m copies of a special supplement to its full catalogue which list the price cuts.

Credit limit

THE GOVERNMENT will remove an anomaly which had imposed a £1,000 limit on the cash value of goods bought by running-account credit transactions effective October 29. Such transactions include store credit accounts and some credit card schemes.

An order amending credit control legislation was laid before Parliament yesterday by Mrs. Sally Oppenheim.

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British Limbless Ex-Service Men's Association

WAYS TO THOSE WHO GIVE—BLESS

Labour relations 'good' in U.S. Scottish plants

BY RAY PERMAN IN NEW YORK



Sir William Gray, Scottish Development Agency chairman (second from left) on top of the 50-storey building at 9 West 37th Street, New York, where the agency's new office is located. With him are (left to right) Mr. Ian Gray, head of the New York office, Mr. John Woodman, also of the New York office, and Mr. Jim Reid, the agency's San Francisco representative.

U.S. COMPANIES with plants in Scotland generally have good labour relations, with 80 per cent reporting no strikes in the past 18 months. This is one of the main findings of a survey carried out by PA Management Consultants for the Scottish Development Agency, which is beginning a promotional tour of five American cities in New York today. The survey, which covered 85 plants, attempts to counter the impression abroad that Scotland suffers perpetual strife between workers and management and that production is frequently disrupted by stoppages. About 95 per cent of the companies interviewed, which included all the large U.S. groups, said they did not need to budget for any time lost through disputes. Some 62 per cent reported no loss of production time at all as a result of strikes in the past five years. Of the rest, the average time lost was less than one day a year per employee. Disputes in other companies, such as component suppliers or to nationalised industries, had a minimal effect on production. Nearly one in four of the plants able to make an international comparison with other branches in the companies was either strike-free, or ranked in the top 10 per cent of relatively trouble-free concerns. Other questions in the survey show that labour turnover is low in American-owned factories, with absenteeism averaging 7.2 per cent. Most plants had flexibility agreements and 83 per cent of managements judged the attitude of their work force towards work to be either good or very good.

Although some American managements resist unionisation, two-thirds of those in Scotland are unionised and nearly all determine pay levels through a single set of annual negotiations. Criticism of unions by managers was muted. Sir William Gray, chairman of the Scottish Development Agency, who opened the SDA's new office in New York yesterday, said: "Britain's industrial relations record is painted very black abroad, but the facts show that most plants are totally strike-free and where stoppages do occur, the effect on production is generally minimal. "The high technology industries have an excellent record, particularly in electronics, instrument engineering and metal manufacture which have been completely strike-free."

Other questions in the survey show that labour turnover is low in American-owned factories, with absenteeism averaging 7.2 per cent. Most plants had flexibility agreements and 83 per cent of managements judged the attitude of their work force towards work to be either good or very good.

Curry's launches colour TV rentals

BY JOHN LLOYD

CURRY'S the electrical retail chain, yesterday, launched a colour rental service—Carousel Colourhire—based on 63 Curry's branches in the south east of England. The company plans to make the service national if the regional chain is a success. Curry's has 478 branches nationwide.

Mr. Arthur Murray, managing director of Carousel Colourhire, said that plans to extend the network were already well advanced. He said that rental charges would be, in some cases, lower than competing chains. A rental protection plan would cover payments for up to two years if the customer is unable to

meet them because of unforeseen sickness or unemployment. A recent report from stockbrokers Lawrie, Millbank forecast that the television rental market was entering "a totally new era of growth" because of the range of TV-related products, like Frestel (the Post Office's information system) and videocassettes.

Airlines seek BA routes

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

FOUR UK independent airlines have asked the Civil Aviation Authority for permission to take over the 26 domestic air routes British Airways is giving up from March 31. The four airlines—Air Anghla, British Island Airways, British Midland Airways and Dan Air—are confident that they can turn British Airways' annual loss on the routes of £6.5m into profits. They are confident of profits because they will operate the routes with considerably fewer staff than British Airways. They say that many of the cities are already in their networks so that initially at least no additional staff would be needed. The four airlines aim to ensure a smooth transition by seeking rights to fly from April 1.

The Air Anghla/British Island group (part of the British and Commonwealth Shipping Group) are seeking the routes from Leeds/Bradford to Dublin, Belfast and Heathrow; Edinburgh to Belfast and Jersey; Guernsey to Manchester and Heathrow; Jersey to Southampton; and the Isle of Man to Manchester and Heathrow. British Midland Airways is seeking the routes from: Heath-

row to Birmingham, Leeds/Bradford, Guernsey and Isle of Man; Jersey and Guernsey to Birmingham; Manchester to the Isle of Man; and Jersey to Glasgow. Dan Air is seeking the routes from Newcastle to Belfast, Jersey and Dublin; Cardiff and Bristol to Guernsey, Jersey, Belfast and Dublin (and also to Paris); and Leeds/Bradford to Jersey. There are continuing applications on only four routes—British Midland and the Air Anghla/British Island group are both asking for Heathrow in Leeds/Bradford, Guernsey and Isle of Man; and Manchester to the Isle of Man.

The airlines hope that the CAA will settle the applications before Christmas, giving time in the New Year to complete arrangements for the takeover. At present, none of the airlines intends to buy new aircraft specifically to serve the routes. They believe they have adequate capacity to meet at least initial demand. All of them are already, or soon will be, studying fleet replacement plans, based on traffic growth throughout their networks including the additional routes.

Study oil spills' effect on sea, commission says

BY ELAINE WILLIAMS

THE COMMISSION on Energy and the Environment calls for research into the long-term effects of oil pollution on marine ecology in its first report published yesterday.

After a brief review of the UK research, wholly or partly government-funded, the commission concludes that more work is needed on the natural degradation of oil in the sea and on the new types of oil being shipped around UK coasts. The commission, set up in March 1978 by the Secretaries of State for the Environment, Energy, Scotland and Wales, recommends that the research should be carried out when the Royal Commission on Environ-

mental Pollution prepares its report on marine oil pollution. The commission sees its task as "providing an independent and considered contribution to Government thinking and to informed public debate about energy and the environment." It wants to ensure that the interaction between energy policy and the environment forms an integral part of the development of energy policy. It is gathering evidence from a large number of interested groups and individuals such as trade unions, electricity supply industry and other utilities in order to try and balance the need for adequate supplies of energy at reasonable costs against environmental protection.

NEWS ANALYSIS—MOTOR INSURANCE Premiums race inflation

BY ERIC SHORT

MOTOR INSURANCE premiums are climbing fast as insurance companies put up rates in response to a rising inflation rate. Premiums have risen by an average 16 per cent over the first nine months of this year, compared with 5.7 per cent over the whole of 1978, and 15 per cent for 1977. The average premium, based on the rates of the 10 major UK insurance companies for a mature driver of a 1,300 cc car, living in the Home Counties and with full no claims discount, was £40 at the beginning of 1977. By the beginning of 1978 it was £48, and by January 1979 it had risen to £50. On October 1, the average was £58.

Conditions are once again similar to those of 1973 and 1976, when motor premiums rose by an average 25 to 30 per cent. The other similarity with those years is that insurance companies are increasing rates more than once a year. This year has seen almost all the major motor insurance companies—General Accident, Eagle Star, Royal Insurance, Prudential, Sun Alliance—resort to six-monthly premium revisions. The second largest insurer, GRE, has found that it cannot hold its rates for 12 months, and is raising them on November 1, seven months after the previous increase. Of the major companies, only the Commercial Union and the Co-operative Insurance Society have managed to hold rates for 12 months, and the CU has warned of a possible increase

later this year. It is unlikely that these companies can continue to go against the trend. Motor premium rates have had to be increased simply because the average cost of motor claims is rising much faster than was expected at the beginning of the year. The cost of claims reflects inflation in different ways. First, the cost of parts to repair a vehicle rises roughly in line with prices, although in recent years the rate has tended to exceed the rise in the Retail Price Index.

Winter

Second, claims costs are affected by labour charges, which rise in line with earnings. Over the past 12 months, earnings have outstripped prices, and can be expected to do so over the next few months. Finally, claims costs are affected by the level of court awards for damages, which have been rising faster than prices or earnings. The motor accounts of UK insurance companies have already been hit by the severe winter weather early this year. Many motorists leave their cars at home if there is a short spell of bad weather. But this year the severe weather continued for several weeks, and insurance companies found the number of claims to be about a third above normal. The inflation rate is rising faster than expected. Insurance companies calculate pre-

mium rates to take account of inflation over the period during which they expect to hold the rates—say 12 months. In addition, the increase in Value Added Tax to 15 per cent added about 6 1/2 per cent to the cost of claims, including those claims that had occurred before the increase, but which had not been dealt with.

For the motorist, more frequent rate increases can reduce the anomalies arising from large premium charges. Insurance companies have been very uneasy that a motorist who renews his premium one day before a change of rate may pay 30 per cent less than one who renews one day after. It is therefore considered more equitable to have two 10 per cent increases at six-monthly intervals than to have a single annual increase of 20 per cent. Moreover, if rate increases are at random intervals, motorists have more difficulty in shopping around for the cheapest rate. When rates were increased at 12-monthly intervals, motorists were encouraged to shop around to find a company which had not recently put up its rates, and which might consequently be cheaper than its competitors for a while. Such shopping around inflates administration costs.

The pattern may well have been set for six-monthly intervals between rate increases, even if inflation comes down next year. This year's round of rises is but expected to put motor accounts back into profit. It will contain the losses.

RAF Minister to visit U.S.

By Michael Donne, Aerospace Correspondent

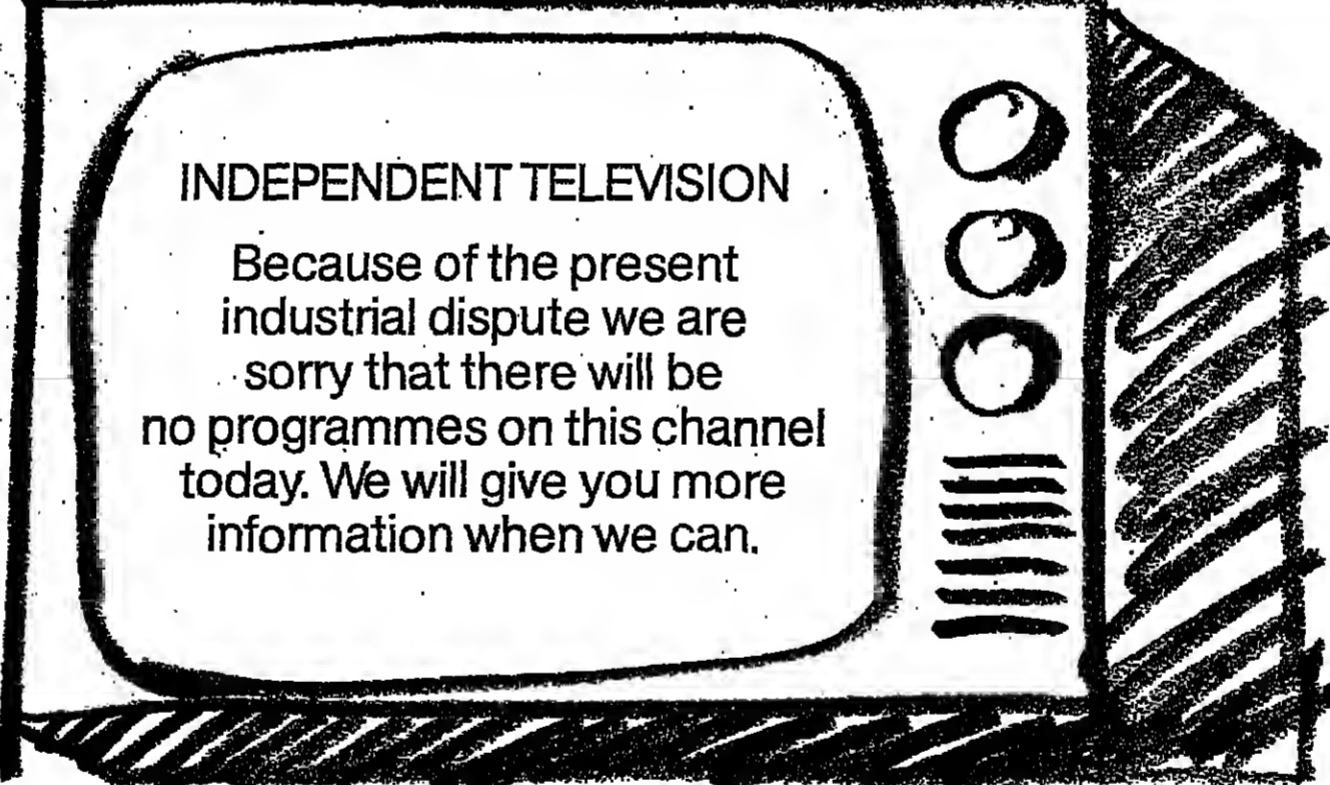
FACILITIES in Canada for low-flying training for the RAF, and an increase in purchases of UK defence equipment by the U.S., will be the main topics for discussion by Mr. Geoffrey Pattie, Minister for the RAF, during a visit to the U.S. and Canada from October 14 to 22. Starting in Ottawa, Mr. Pattie will discuss with the Canadian Government the provision of facilities, probably in Labrador, for low-flying training for RAF Tornado crews. During his visit to Washington, Mr. Pattie will widen his discussions to include the question of increased U.S. purchases of defence equipment.

Tory lawyers call for on-the-spot fines

BY JAMES McDONALD

ABOLITION of totting-up endorsements and the introduction of optional "on the spot" penalties for relatively minor motoring offences are proposed in "Motoring Justice," published yesterday by the Conservative Political Centre. The pamphlet written by Mr. Peter Temple-Morris, MP, arises out of a study group set up by the Society of Conservative Lawyers. The case against the totting-up procedure, is that "it is an arbitrary and often unfair system both in its application and enforcement. Offences are merely enforceable and in no way graded as to seriousness."

Instead of "waiting around in courts" the police should be provided with "an efficient and enforceable system of spot penalties." It is suggested that the French system of a "stamp penalty" would be appropriate instead of having money pass between the offending motorist and the apprehending officer. This would involve issuing a "ticket" on which the penalty inscribed would have to be paid to the Post Office for stamps which would be sent with the "ticket" to the relevant authority. Failure to comply would result in a court appearance and possibly a heavier fine.



Why not switch to Michelin? The performance goes on and on.

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UK NEWS—LABOUR

Civil Service unions aim to change policy body

By PHILIP BASSETT, LABOUR STAFF

BRITAIN'S largest and most militant Civil Service unions, whose strikes over pay this year have disrupted Government, business and Post Office work, could take over effective control of policy-making for all the unions if proposals being studied by union leaders are accepted.

far, it reflects SCPS and CPSSA members' desire for greater involvement by ordinary members and is considerably more radical than a paper circulated by Mr. Bill Kendall, staff side secretary-general.

SCPS officials may face an angry response from some of the union's more militant members, though, by admitting that it cannot insist on increased representation.

The proposals for changes in joint bargaining and representation procedures reflect the increasing militancy and deep splits among the unions which have developed this year, and could lead to major alterations in the Civil Service's 60-year-old negotiating system.

The unions' examination of the joint machinery follows the divisions which developed between the unions on the staff side of the Civil Service National Whitley Council during the strikes by the Civil and Public Services Association and the Society of Civil and Public Servants.

Both unions withdrew from the central policy-making body of the staff side—Committee A—and said they would dismantle the whole Whitley system of representation after accusing other unions of "secret" deal with Labour Ministers over pay.

Though a paper from the SCPS now being discussed by union leaders does not go that far, it reflects SCPS and CPSSA members' desire for greater involvement by ordinary members and is considerably more radical than a paper circulated by Mr. Bill Kendall, staff side secretary-general.

SCPS officials may face an angry response from some of the union's more militant members, though, by admitting that it cannot insist on increased representation.

The document states that the name of the national staff side should be changed to the Confederation of Civil Service Trade Unions, and that it should be known as the Trade Union side of the National Whitley Council.

Further indications of the union's determination that power should directly reflect membership size lie in its downgrading of the present Committee A system, where union general secretaries shape policy before it is presented to the full staff side, into a sub-committee merely reporting to the full Confederation.

The document also suggests increasing the power of individual union officials at the expense of the power presently enjoyed by staff side officers, but to avoid embarrassment suggests a full view of this when Mr. Kendall retires.

Some BOC men reject 11.5%

By Nick Garnett, Labour Staff

WORKERS at BOC Gases Division's biggest depot at Wembley have overwhelmingly rejected the company's "final" offer, which union negotiators estimate at 11.5 per cent.

The offer is to cover a period of seven months, after which any deal this year will be renegotiated.

Union officials expect voting results from most of the division's 40-odd depots by the end of the week.

Apart from Wembley, drivers and gas cylinder-handlers at Bristol have rejected the offer, but the workers at the small Ipswich and Letchworth depots have accepted.

The offer to the division's 3,000 manual workers, involves a flat rate increase of £7 on existing basic rates of £74 to £78 and consolidation of a £5 bonus, leaving £6.56 still unconsolidated, and significant improvements in shift pay.

The settlement date for the group is this month. In the last negotiations management committed itself to restoring the more traditional settlement date, May.

Vauxhall workers to continue strike

By PHILIP BASSETT

PRODUCTION WORKERS at Vauxhall Motor's Ellesmere Port factory on Merseyside voted yesterday to continue their five-week-old strike, in spite of a warning from the company that it was jeopardising the future of the plant.

Members of the Transport and General Workers' Union at the plant were recommended to "continue to fight" at a mass meeting attended by nearly all the plant's 3,000 TGWU members.

Half a dozen speakers called for a return to work, but the vote was decisive. Officials claimed it was 2-1 against a return.

A vote to return would not have started production again, since the 5,000 members of the Amalgamated Union of Engineering Workers at the plant have yet to have a mass meeting on the company's 17 per cent pay offer.

All production at the plant has been halted during the strike. Although the Cavalier and Carlton are still being produced at the company's two southern plants, up to 6,000 workers have been laid off there, and the van line at Luton and the truck line at Dunstable have been shut down.

Most of the unions at Luton and Dunstable have accepted the offer, leaving the more traditionally militant Ellesmere Port isolated. But AUEW shop stewards at Dunstable have voted 53-1 against calling a mass meeting of their membership to put the offer to them.

Leaflets will be distributed among the AUEW members at Dunstable on Thursday night. It is clear that the stewards do not call a mass meeting if the company rejects the offer.

All Ellesmere Port has paid workers yesterday by a letter from Mr. David Young, the company's personnel director and leading negotiator, setting out the company's doubt about the future of its operation.

Explaining that the plant's future was in the hands of its workforce, Mr. Young said: "I urge you to think how serious things are. There is no bottomless pot of gold. The Ellesmere Port plant must earn its own future and that is what I am urging you to do."

Workers at Rover, Solihull, voted yesterday to end their five-week strike over proposed manning levels.

The company has cut the labour force by more than 1,000, but intends to build as many cars on two assembly lines as were formerly manufactured on three.

Talks will continue with the trade unions on the details of the production proposals.

Important Auction Sales

October 25th - November 10th, 1979

Advertisement for Galerie Koller Zürich featuring important auction sales of paintings, watercolours, graphic works, and sculptures. It lists various artists and the types of art available for sale.

Two snags threaten bank union talks

By Nick Garnett, Labour Staff

STAFF BODIES involved in negotiations on the formation of a new union for the banking industry have agreed areas for further detailed working party discussions.

Two major difficulties threatening the negotiations, however, emerged at the last meeting between the clearing bank staff associations and the Banking Insurance and Finance Union.

The banking union has told the staff associations that it is not prepared to re-enter the old system of joint negotiating machinery while merger discussions continue.

It also told the staff associations and Dr. Tom Johnston, chairman of the Scottish Manpower Services Committee, which is holding the inquiry into staff representation, that certain issues should be clarified outside the working parties.

It has informed the staff bodies, for example, that although the second report of Dr. Johnston has come down against geographical structure, the banking union would need to keep some of its present geographically-based organisations.

Re-entry into national negotiating machinery as "an act of faith" is included in both Johnston reports and has been accepted by the staff associations.

Mr. Lelf Mills, the banking union's general secretary said yesterday that the reason the staff associations, particularly that at National Westminster, wanted BIFU to agree to this was that the staff associations did not want the Johnston talks to succeed.

A decision by BIFU to re-enter machinery would allow the staff associations to sit back and delay further talks on Johnston, said Mr. Mills. If BIFU did not re-enter the machinery—and Mr. Mills said it would not—then it would be blamed by the associations for breaking up the merger talks.

I deplore the attitude of the staff associations. It is disingenuous and unhelpful. I think it is time the banks put the screws on the staff associations."

This was hotly denied by the staff associations yesterday who accused the banking union of attempting to re-negotiate the second Johnston report.

Mr. McCaig, union district secretary in Saltcoats, Ayrshire, and McCreadie, Saltcoats district officer, also denied another charge of attempting to extort money from a haulier in Irvine, Ayrshire, when money was not handed over and they were said to have prevented the collection and delivery of milk by tankers.

Mr. Raymond McDonald, union regional secretary in Scotland at the time of the strike in January said that after he was shown two £26 cheques, payable to the union by Arran Transport, during a BBC programme, he asked McCaig about them the next day.

"He said he wasn't sure about the cheques but he would look into it. I told him if there was any doubt the money should be returned," said Mr. McDonald.

"Mr. McCaig did say that Arran Transport were causing them a lot of trouble. He said pickets were not satisfied with what the company were doing regarding claiming that supplies were emergency supplies."

The hearing continues today.



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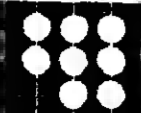
And mind somebody else's business for a change. THE OBSERVER

A large advertisement for 'THE OBSERVER' featuring a man in a suit holding a newspaper. The man's face is partially obscured by a large, stylized graphic of a skull or mask. The background is dark and textured.

Advertisement for THE FINANCIAL TIMES CHRISTMAS GIFT GUIDES. It encourages readers to ring Chris Manson of the Financial Times on 01-248 8000 Ext 595 for further advertising details.

Advertisement for Crédit Industriel et Commercial (CIC group). It provides contact information for the London office, including the address 74 London Wall EC2M 5NE and various telephone and telex numbers.

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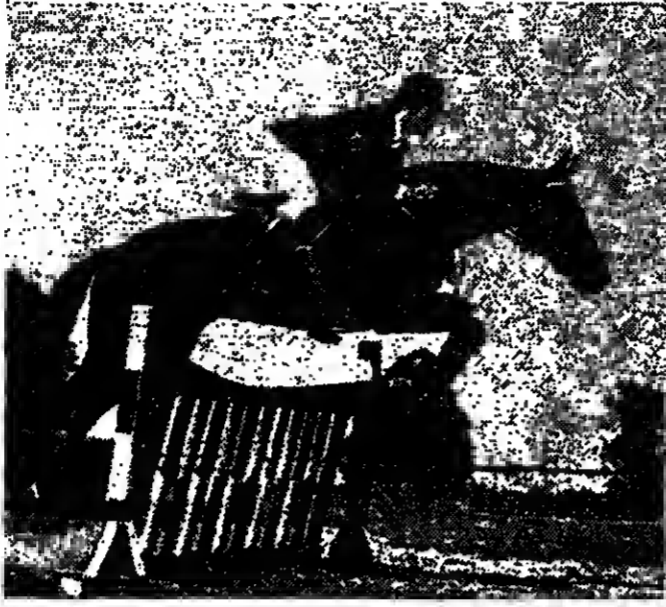


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MANAGER - FINANCE AND ADMINISTRATION

The company operates a laundrette and a non-laundrette laundry, the latter having recently been commissioned. We wish to recruit urgently a qualified accountant to fill the above position.

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The London branch of a leading West German bank is seeking a Chartered Accountant with bank audit experience (with particular emphasis on foreign exchange accounting).

Please contact Mrs. Loveday with brief details of career to date. WESTDEUTSCHE LANDESBANK GIROZENTRALE, 41 Moorgate London EC2R 6AE (Telephone 01-438 6141)

APPOINTMENTS

Buying director for Debenhams

Mr. Brian Richman has been appointed to the main Board of DEBENHAMS as buying director for the non-textile divisions. Areas under his control include upholstery, furnishing and furnishing textiles, furnishing decor, bedding, china and glass, lighting, major and minor electrical goods, kitchens and kitchen equipment.

Mr. Barry P. Cullum has been appointed managing director for MORGAN BERKELEY COMPANY, a company in the Norreem Offshore Group.

Mr. Arthur W. Venables has been appointed managing director for OIL COUNTRY SUPPLIES, a company in the Norreem Offshore Group.

Mr. James H. Scott, a vice-president of Morgan Guaranty International Finance Corporation, has joined BANK MORGAN LABOUCHERE NV as a manager. He joined Morgan Guaranty Trust Company in 1973.

Mr. G. A. Clark Hutchison will join the Board of ATYCK PETROLEUM as an executive director on October 15.

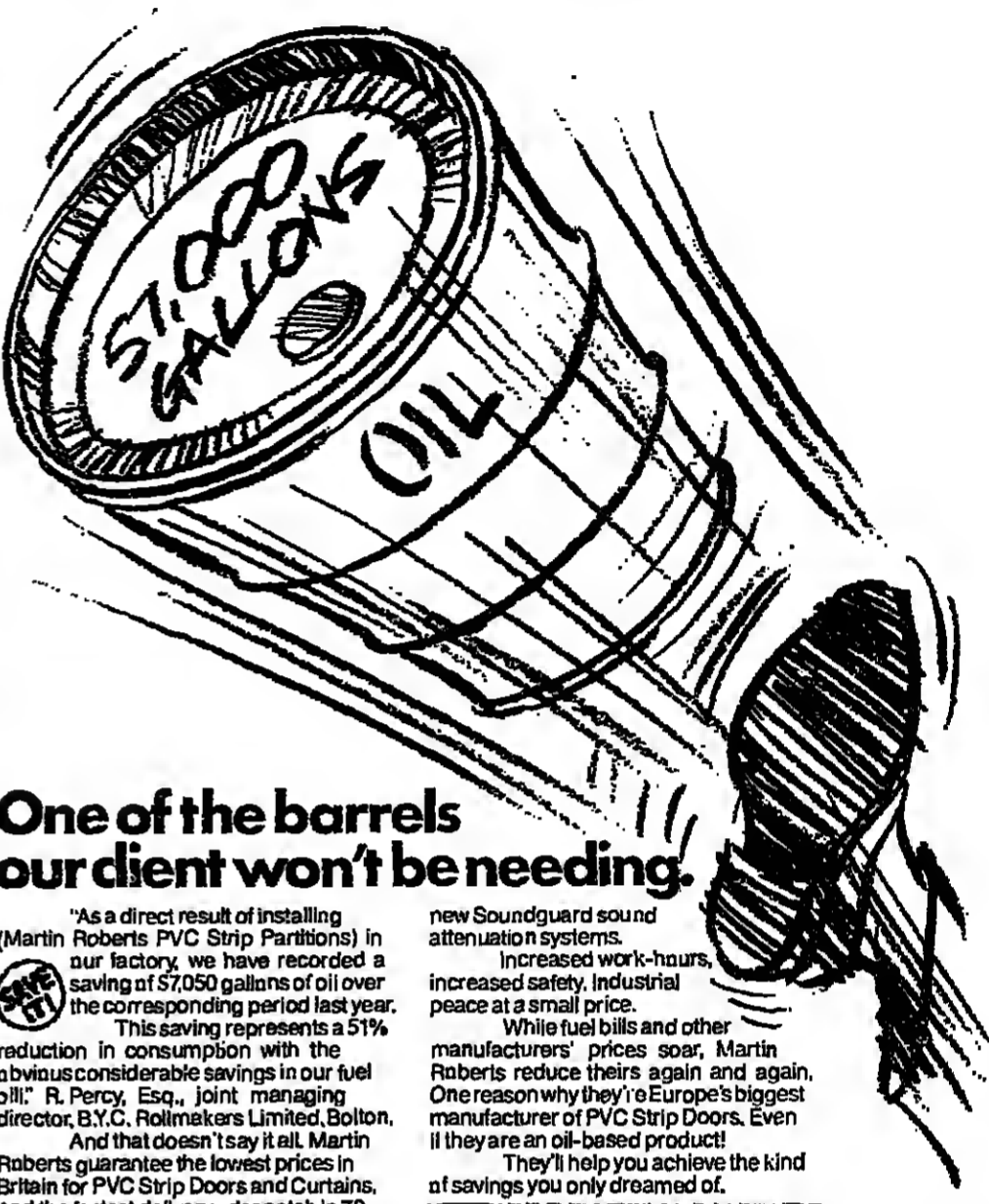
Mr. R. J. Emerson has been appointed a director of ASTRA GAMES and remains manager of the company. Mr. E. N. C. Eastgate has been appointed company secretary.

Mr. Ashley R. C. Raeburn has been appointed a vice-chairman of ROLLS-ROYCE. He joined the Board in January 1978.

Mr. Michael Bromhead has been appointed to the new position of managing director of EMI FILM DISTRIBUTORS OVERSEAS. Mr. Hanna Mielke, the senior overseas sales representative, has been appointed assistant managing director.

Mr. William J. Sinkala has been elected vice-president finance for THE KROGER COMPANY, Cincinnati. Prior to joining Kroger, he was senior vice-president-administration for Western Auto Supply Company, Kansas City, Missouri, which is

responsibility for exploration and production and Burmah's interests in the Indian sub-continent. The new directorship will bring all of Burmah's oil interests under one directorate. Mr. Keith F. D. Wilson has been appointed managing director of BURMAH-CASTROL UK. He joined Burmah in 1956. In 1976 he was appointed commercial director, Castrol worldwide.



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COMPANY NOTICES

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NEWFOUNDLAND MUNICIPAL FINANCING CORPORATION. U.S.\$35,000,000 9 1/2% 1976/1988 BONDS. Pursuant to the provisions of the Purchase and Sale Agreement...

EUROPEAN INVESTMENT BANK. 9 1/2% BONDS OF 1976, DUE 1988. FRENCH FRANCS 200,999,000. NOTICE IS GIVEN to Bondholders that in accordance with the terms and conditions of the Bonds...

PUBLIC NOTICE. DEVON COUNTY COUNCIL BILLS totalling £2m will be issued on 9th October 1979, with effect from 1st January 1980...

EDUCATIONAL. HEADS OF Boarding Schools: children welcome for half-term holidays. County of Devon, Devon, Devon...

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AUCTION SALE REMINDER

Auction of modern heavy stamping and other plant and equipment, tools and dies formerly of Kirby Manufacturing & Engineering Company Limited will be held on TUESDAY 9th OCTOBER at 10 a.m.

ART GALLERIES

ANDREW WYD GALLERY, 3, Cork St. W1. MONDAY, 11th OCTOBER. BROWNE & DARYL LTD., 18, Cork St., W1. THURSDAY, 11th OCTOBER. CAMPBELL & FRANKS FINE ARTS, 37, New Cavendish Street, W1. 10th-12th OCTOBER.

MEMORIAL SERVICE

THE DIRECTOR of Windsor has invited the Mayor of Windsor to honour the memory of all who lost their lives in the Second World War...

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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

WE HAVE all heard the story before. Old-established British engineering company with a name respected widely for its quality and service falls on hard times in the Seventies because its product is out-of-date. The company has failed to invest enough in engineering and its markets have simply evaporated. Word then gets around that its workforce is "uncooperative."

David Fishlock on how Negretti and Zambra hopes to extricate itself from a vicious circle

Leapfrogging into the eighties

He has no illusions about the company's recent financial problems—many of which concerned his own division. When he was brought in 16 months ago, the division was behind on deliveries to the tune of £1m on a turnover of £5m. And no one was being held responsible for meeting those deliveries.

by the readiness with which the majority responded to his assurances that, with the help of the NEB's cash, they could be retrained to make the new product.

The new product is the MPC 80 process control system, based on a microprocessor. It is nothing more than a white cube of electronics with sides measuring about 12 inches. In adopting this technology the company is bypassing an entire generation of process control instruments built round more conventional electronics and computers.

Department of Industry for joint funding between company and government. For the company it meant development grants worth almost £100,000—50 per cent of the cost. Again the British Sugar Corporation has been its first customer.

Already the MPC 80 accounts for a third of Mooney's sales. But he sees a continuing demand for the traditional mechanical type of instrument made by his company, not least because it is intrinsically safe—it needs no power supply, for example. His problem is how to break away from the craft approach to manufacture, with each instrument individually "tweaked" to the perfect performance a craftsman can provide.



Bryan Mooney (left) and John Hope

PUNITIVE taxes, soaring inflation and a sagging currency have long been the complaints of British executives. But these days the loudest laments in the United Kingdom are coming from what has traditionally been one of the most cosseted sectors of the business community—U.S. expatriates.

U.S. expatriates start to feel the pinch

BY SANDRA SALMANS

foreign-earned income of U.S. citizens has always been subject to U.S. taxes, until 1978 an American living abroad could exclude \$20,000 of that income (or \$25,000, if he had lived abroad for more than three years) from U.S. taxes.

or the difference in cost between maintaining an American lifestyle in the U.S. and doing so abroad, as calculated by the U.S. State Department. Living in the Middle East entitles Americans to one of the largest cost-of-living allowances, while the figure for an American couple in Britain, \$300, is among the lowest.

Taking a married U.S. executive with two children and a \$30,000 base salary, \$20,000 in overseas allowances and \$5,000 in unearned income from interest and dividends, Mr. Espovitch calculates that, with the \$20,000 exclusion allowable before 1978, the total tax liability was \$14,700.

equalisation" scheme. The theory behind tax equalisation is that a U.S. employee abroad should pay the same amount in taxes as he would have incurred had he remained in the U.S., neither profiting nor losing from his overseas transfer.

arrives at an index by pricing a "market basket" of 170 different goods and services—ranging from cornflakes to Underground fares—in London and Washington.

and willing to be consulted freely—without charge, of course, because of its stake in the company.

While the argument continues on paper, the reservations by Americans about expatriate employment are growing.

Advertisement for Diamond Data Recall Limited. It features a large image of a computer terminal with a monitor and keyboard. The text reads: 'Designed in keeping with its company', 'From the outset, we knew that designing even a superior word processor wasn't enough...', 'So with sights set firmly on the future, we developed a word and figure processor to handle complex arithmetic applications...', 'Setting it far in advance of other word processing systems, with capabilities the competition are still unable to match...', 'And all the result of our own work, being designed and manufactured here in the U.K.', 'We were confident. Both in our products and our abilities and resources as a company', 'See us at the International Business Show, N.E.C. Birmingham, Hall 2, Stand No. 655/664, 23rd October - 1st November.', 'It's the only word processor that figures', 'DIAMOND Data Recall Limited', 'Data Recall Ltd, Diamond House, 350 High Street, Dorking, Surrey RH4 1QC, Tel: Dorking (0306) 87777, Telex: 859128 DIAMOND G'.

Advertisement for Wilkinson Transport. It features a large headline: 'Your present parcels service. Is it all parcels and no service?'. Below the headline is a list of bullet points: 'Any comic with a couple of slow vehicles and a fast line in chat can call himself a "parcels service".', 'And the only way you discover he's useless is by trusting him with your parcels and watching him screw everything up.', 'And that's the problem in a nutshell. How in this day and age do you find a parcels service that still keeps its promises?', 'There is one. Wilkinson Transport. With 16 depots, 600 trucks, 300 trailers and 1600 staff, they're not the biggest. But their thoroughness, thoughtfulness and care makes them arguably the best. They average a national transit time of between two and three days; monitor the entire operation by computer; keep paperwork to the minimum; courtesy to the maximum; are totally professional; and insure every parcel realistically.', 'They visit every High Street and every industrial estate practically every day. And many top names use them either exclusively or to supplement their own fleet.', 'If you want a fast, reliable and utterly safe parcels service with the sort of personalised treatment you've only heard about, call Wilkinson.', 'Wilkinson Transport Ltd., Head Office: Ringway House, 45, Bull Street, Birmingham, B4 6DP. Tel: 021-238 9773/7. Telex: 339165.', 'Wilkinson Transport The one that still cares'.

THE ARTS

Museum of Modern Art, Oxford

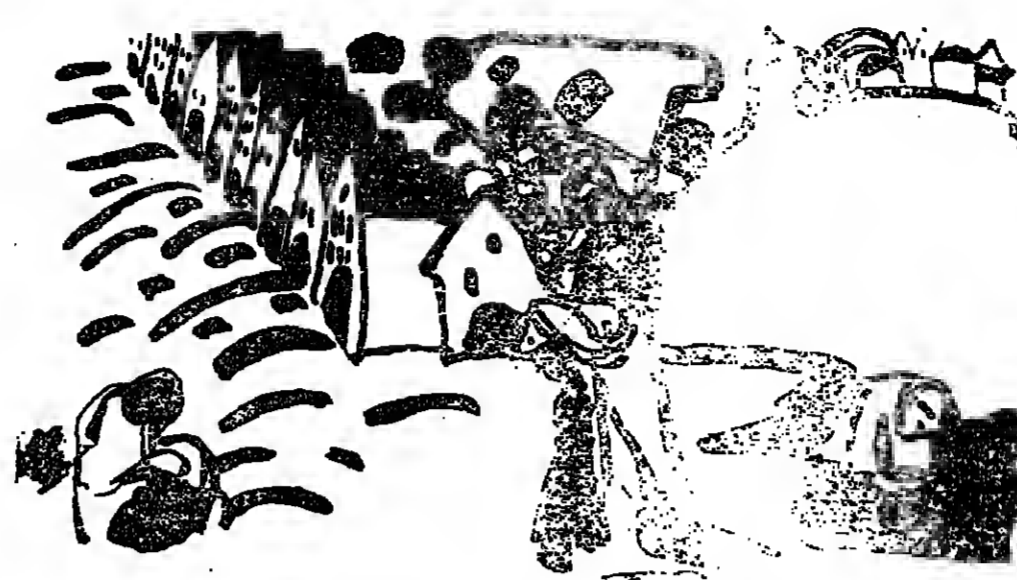
Kandinsky: mysticism and delight by DAVID PIPER

There has been, in Britain, a gradual acceptance, by an audience wider than that of specialists, of the proposition that German painting of the first half of the twentieth century is to be taken no less seriously than the output of Paris. This has, however, depended on the actual work becoming known mainly either in reproduction in the flood of popular art-historical works or in rare loan exhibitions. German painting is still thinly represented in The Tate; in the provinces, the opportunity of becoming familiar with German work in local museums is still almost non-existent. In contrast, the Guggenheim in New York had such a surfeit of Kandinskys that they felt they must sell some. In the history of modern painting, Kandinsky is a name for any cultured person to conjure with, but far less frequently is it a signal that any Britisher dropping in is acquainted at first hand with the depth and range of his work. Any Kandinsky exhibition on these shores must therefore be welcome.

For the catalogue, Peter Vergo contributes a useful introduction, against which I have only one minor crib, about his adherence to the fashionable doubts about the authenticity of Kandinsky's famous coup de foudre, his conversion to abstract painting. It seems a bit crabby to deny this to Kandinsky, who after all recorded it himself. Mr. Vergo alludes to it, but suggests a pinch of salt. And yet—It was the hour of approaching dusk [The painter is returning to his studio] still dreaming and wrapped up in the work I had completed when suddenly I saw an indescribably beautiful picture drenched with an inner glowing. At first I hesitated, then I rushed towards this mysterious picture of which I saw nothing but forms and

colours, and whose content was incomprehensible. . . . It was a picture I had painted, leaning against the wall, standing on its side. This can be explained in part as being the so-called "Purkinje effect" (a mutation of quality of certain colours perceived by the eye, briefly as daylight fades), or wholly as romantic nonsense. In fact, Kandinsky's gradual movement into abstraction can be demonstrated—not only from the intrinsic evidence of his painting from at least 1905 on, but from his writing (On the Spiritual in Art, published 1911, was in progress from 1899 on) and the witness of contemporaries, while the question, sometimes angrily debated, whether he was literally the first in the abstract field (surely not) is idle. St. Paul, before hitting the road to Damascus, surely had been moving, and doubtless consciously no less than subconsciously, towards Christ, but to doubt the clinching revelation in the blinding flash is unnecessary and life-draping.

Mr. Vergo comments that the innocent visitor may well assume at first that the exhibition is showing the work of two different artists, and the contrast between the early figurative work and the later abstraction is indeed startling. The earlier work, at times almost anonymously, in the Jugendstil tradition, the version of that style international by the end of the nineteenth century, finding its most characteristic medium in the woodblock. The Russian flavour though can be strong in Kandinsky's particular vision of Russian folklore, mysterious princesses, knights on horseback (sometimes as if by a rustic Slav Frank Brangwyn). However again and again in the swift drawings, the essential strength of Kandinsky's genius is clear. In drawings such as the



Sketch for "Picture with Houses," by Kandinsky

they are now part of the visual landscape. And at their finest, these mysterious incandescences do approach the condition of music, to delight the receptive eye, as Kandinsky hoped they would. He is still too often thought of as a painter; he was a mystic and a man of delight. A drawing here is inscribed: Drawing gives pleasure (but better in the German: Zeichnung heglückt). Roger Fry, sighting Kandinsky's work in London in 1913, exclaimed—"Pure visual music."

Although, working in the Ashmolean Museum, as I do, it would be reprehensible not to confess interest, it would be still more reprehensible not to advise a visitor to Kandinsky in Oxford also to call in at the Ashmolean to see the memorial exhibition (also till October 25) to Erwin Bossanyi, who died in 1975. Hungarian-born in 1891, he was of a younger generation (Kandinsky's "conversion" was probably, astonishingly, not

Elizabeth Hall

Dmitri Alexeev by DAVID MURRAY

It was not an out-of-the-way programme that Mr. Alexeev offered on Sunday but in the event he contrived many surprises and even shocks along the way. He began with Liszt's Variations on Weiden, Klogen, Sorgen, Zagen; a performance of concentrated intensity without a lapse in its baleful grip. He forced a colossal sound from his piano—not indiscriminately, but toward the top of his dynamic scale one began to fear for the instrument. Brahms came next, the op. 76 set of Capriccios and Intermezzi. Here Alexeev was all caprice. Generally the melodic line was brought out sharply, fancifully inflected, and everything else reduced to a murmuring background; sometimes instead he seized upon points remote from the main stream of the musical argument and wound the rest of the music about them. The characteristic Brahmsian textures were regularly transformed into something stranger and more Slavic; remembering that Brahms was the heir noir of 19th-century Russian composers, I wondered

whether Alexeev was not re-inventing him for Eastern Europe. An intriguing reading, at the very least, highly personal and unprecedentedly volatile. Schumann's Papillons, with much less to lose in the way of inner parts or complex harmonic substance, received similar treatment, and took slighter well. Though there were passages that did not deserve the redoubled if he assumed them (and one began to notice that his left hand is neither as fleet nor as accurate as his right), there was energetic imagination at work everywhere, and a daring rubato well insured by his touch rhythmic sense. Liszt's Grand Etude after Paganini were a disappointment after that, despite any amount of circus panache; they were desperately hard-driven, with the melting arabesques of the second Etude turned into little thunderbolts, and an over-par quantity of wrong notes in the spicato study. The set sounded a few leftover from student showoff days—the mature Alexeev is a far more interesting artist.

Wigmore Hall

Shostakovich by ANDREW CLEMENTS

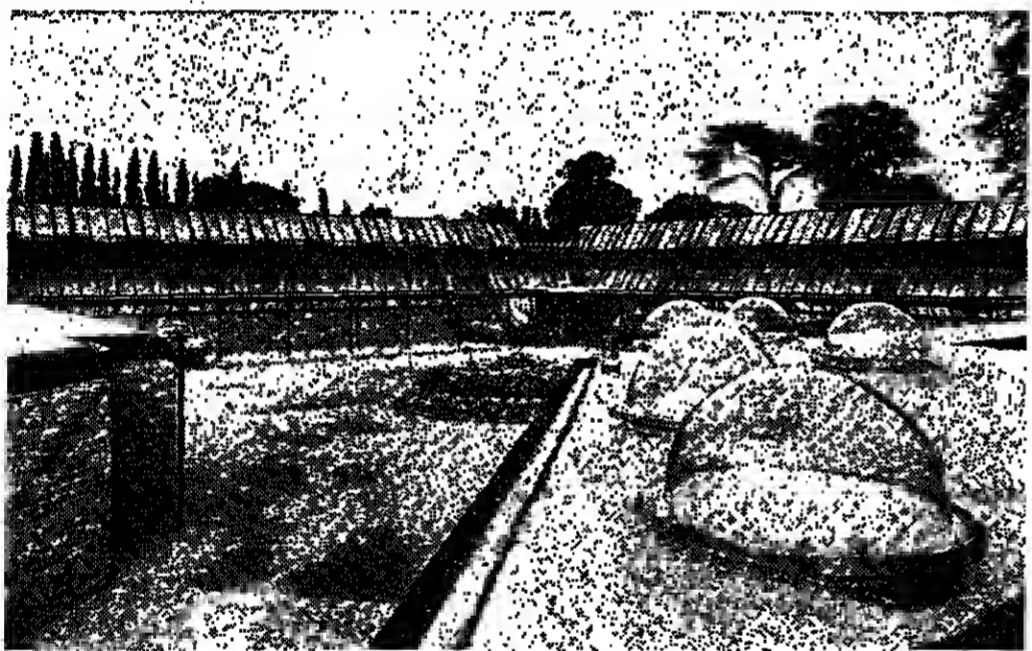
As his memoirs—soon to be published—reveal, Shostakovich for much of his life was a profoundly unhappy individual. His chamber music is often regarded as the private notebook into which he poured his most private, and honest, musical thoughts and perhaps for that reason it is more variable in quality than much of his output. The point was underlined by the selection of items in the all-Shostakovich programme given by Roger Woodward and the Edinburgh Quartet on Sunday, afternoon—second-rate music in the first half, a near masterpiece after the interval.

Mr. Woodward made as much as he could of his contribution to the trio, but came into his own in the piano quintet on 57, which completed the concert. His clean, bright piano sound is perfectly suited to delineating the contrapuntal lines of much of the quintet, though there was a mismatch between his tonal power and the capabilities of the Quartet in some of the tutti. The opening "Prelude" emerged as a powerful convincing statement and though the fourth-movement sharp characterisation on its musical ideas and making little apparent attempt to produce a grateful sound or any cosmetic phrasing. The piano trio, too, divulges very little. Save for the

Architecture

Must all the flowers go? by COLIN AMERY

Yesterday morning the bulldozers arrived to start on their grisly task of destroying a large garden in the centre of London. The garden is growing in the middle of Covent Garden on a site in Long Acre and there is a complicated story that explains its high density public housing is under construction but the rest of the large site is largely occupied by a community garden. It is this garden that will disappear, as everyone always knew it would, as soon as the MEPC property company decide to build their office block.



Courtyard offices at Stoke House by Richard MacCormac and Peter Jamieson

Everybody loves a garden. In the middle of the city a garden is especially desirable—particularly when the planting and the labour of maintenance is largely borne by the local people. But there is a proper agreement between all the parties that the office block can be built—the trouble is that the Covent Garden planners who developed over the last few years makes the presence of large lumps of offices very undesirable. Is there some alternative—some more reasonable 11th-hour scheme?

I am sure there is, providing, of course, that goodwill exists between all parties and a genuine desire remains with the Covent Garden planners to do their best for the area. London needs more developers who are prepared, as they are in New York, to incorporate public uses and spaces at street level in their office schemes. This is the perfect site for an experiment. Architects have long realised that reasonably low buildings around courtyards provide as

much space as high blocks. Many studies have been made to discover alternative built forms. The Martin Centre at Cambridge has been a particularly fertile seedbed for the study and development of courtyard buildings. One architect, Richard MacCormac, whose office is in Covent Garden, has built a small courtyard scheme in Buckinghamshire and has prepared a study for an energy saving courtyard office scheme for the Covent Garden area. Richard MacCormac and Peter Jamieson are one of the most interesting, small, younger practices in the country. They have a record of building a number of rather low-key housing projects at Duffryn, Milton Keynes and Blackheath.

The courtyard office scheme at Stoke Poges in Buckinghamshire, apart from being an agreeable cloister arrangement of rooms with garden views, has lessons that could well be applied in an urban context, and at a larger scale. In the city the court could easily be a roofed space that sheltered the public activities of a garden or a combination of public and private uses. In Richard MacCormac's theoretical scheme for half a hectare of courtyard buildings in Covent Garden he demonstrates that the roofed court plan can save energy and provide a range of offices that satisfy commercial plot ratio considerations. At Stoke Poges the reality of a most attractive working environment clearly shows the advantages of the flexible geometry of the quadrangle idea.

How do Stoke Poges and Covent Garden relate to each other? The answer is clear. The offices in the country show the advantages of experiment. Covent Garden should be a nursery of new ideas for the city.

Coliseum

A ballet gala plus by CLEMENT CRISP

Dancers are very generous with those precious commodities of time and energy in the cause of charity, as we know from how many galas there are in aid of good causes. On Sunday night, the cause was the City of Westminster Society for Mentally Handicapped Children, and Marguerite Porter and Wayne Eagling as organisers, with their many friends, deserve every praise for raising £25,000; anyone unable to attend, and wishing to help, may care to know that the Society's office is at Room 19, Westminster Council House, Marylebone Road, London NW1. The gala included some non-dance material: Benjamin Luxon and Robert Tear in two Victorian duets; the gymnast Susan Cheesbrough, with Wayne Sleep's Olga Krubut as an attendant; the magician Simon Drake; the pop singer Freddie Mercury with members of the Royal Ballet; and the exceptional mime Nola Roe, readily affronted by a tiny violin.

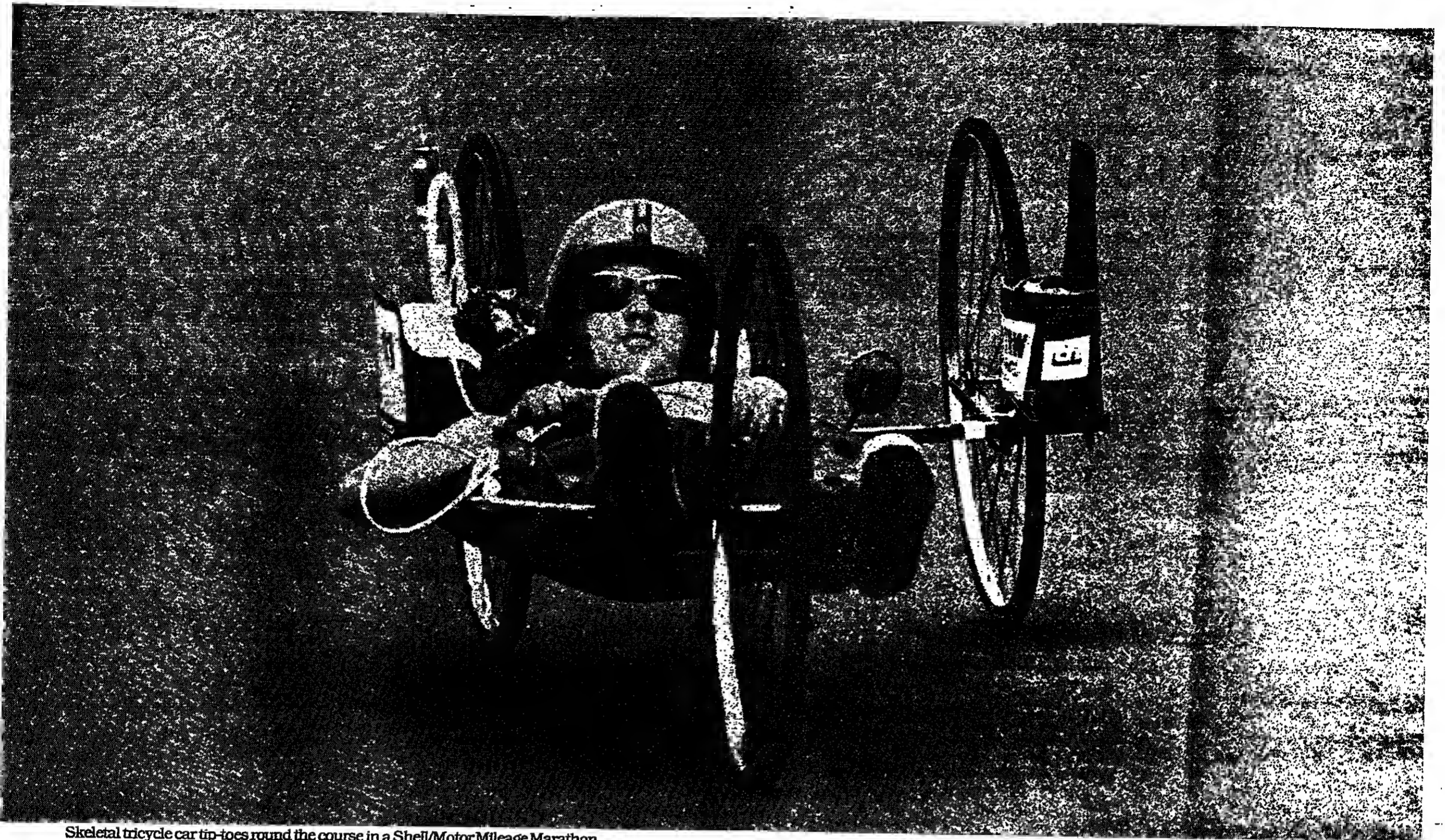
Dancers from London Festival Ballet appeared in part of Stravinsky and Ballet Rambert gave the first movement from Christopher Bruce's new Side-walk, set to the Lambert concerto for piano and nine instruments. But the evening was effectively dominated by a cohort of fine male dancers. In Robert North's Troy Game, the stalwarts of London Contemporary Dance Theatre—North, Anthony van Laast, Michael Small, Patrick Harding Irmay and Christopher Bannerman—were joined by Eagling, Stephen Jefferies, Graham Fletcher and Wayne Sleep, in a tremendous and happy display of prowess. Fernando Bufones partnered Jennifer Penney in the third act duet from Sleeping Beauty, and produced dancing of true classic ease; Peter Schaufuss

MICROS Britain's Future

What are the technological, industrial, and social implications of the micro-processor? What is Britain's role in the micro age? How can industry adjust to the inevitable change? How can management recognise the potential and meet the challenge?

Advertisement for The Pierre hotel in New York, featuring a photograph of the hotel and promotional text.

Large advertisement for Newport, featuring the slogan 'Get fromable' and a map showing Newport's location relative to Birmingham, London, and other cities.



Skeletal tricycle car tip-toes round the course in a Shell/Motor Mileage Marathon.

What use are Shell's mileage marathons?



Roger Lindsay, Shell Technical Manager.

"The object of Shell's Mileage Marathons is to find out who can travel furthest on a measured amount of fuel. In an event where even the losers turn in spectacular performances, the winners' achievements seem almost miraculous. The record now stands at 2,700 mpg! Last year it was 2,000. But do these astonishing feats contribute anything to the development of your family car?"

The answer is yes. Although they are not test-beds for break-through engineering, to build a winner you have to follow the rules of fuel economy. For the many students who participate, Marathons are a good opportunity to practise the theories learned in the lecture room and laboratory. For experienced engineers, they are an opportunity for discussion and interchange. For the Shell engineers who invented the sport, Mileage Marathons are directly relevant to their research projects, many of which deal with the improvement of fuel economy.

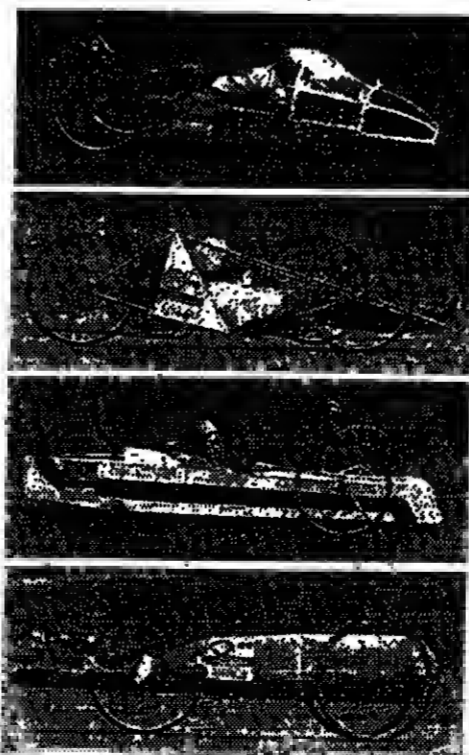
How many miles per gallon for your car?

New developments in car and engine will bring big improvements in fuel consumption, but when and how much? Shell scientists foresee that cars will show a dramatic improvement in mpg over the next few years. Since 1974, some manufacturers have already achieved around 15% improvement.

What is Shell doing to help?

At Thornton, near Liverpool, Shell engineers test new engine designs for motor manufacturers. The object is to measure minutely their degree of fuel efficiency over the complete range of driving conditions.

The feedback which Shell gives manufacturers helps to eliminate problems and make improvements. It sounds simple, but the work requires sophisticated measuring equipment and techniques. For example, Shell scientists are developing ways of using laser beams to map the distribution and patterns of turbulence of petrol mixture in the combustion chamber at the precise moment of ignition. Manufacturers will be able to use this information to modify cylinder head shapes and produce improvements in performance.



Entrants come in all shapes and sizes.

Alternative fuels

Alcohol and alcohol petrol mixtures are now on sale in a few countries and other new fuel components may come along. Shell evaluates the performance of the likely-looking alternatives with a view to stretching oil supplies into the next century.

There is also important Shell research going on into the "fuel cell," a device which directly and very efficiently converts fuel (such as methanol) into electricity.

Fuel for future internal combustion engines

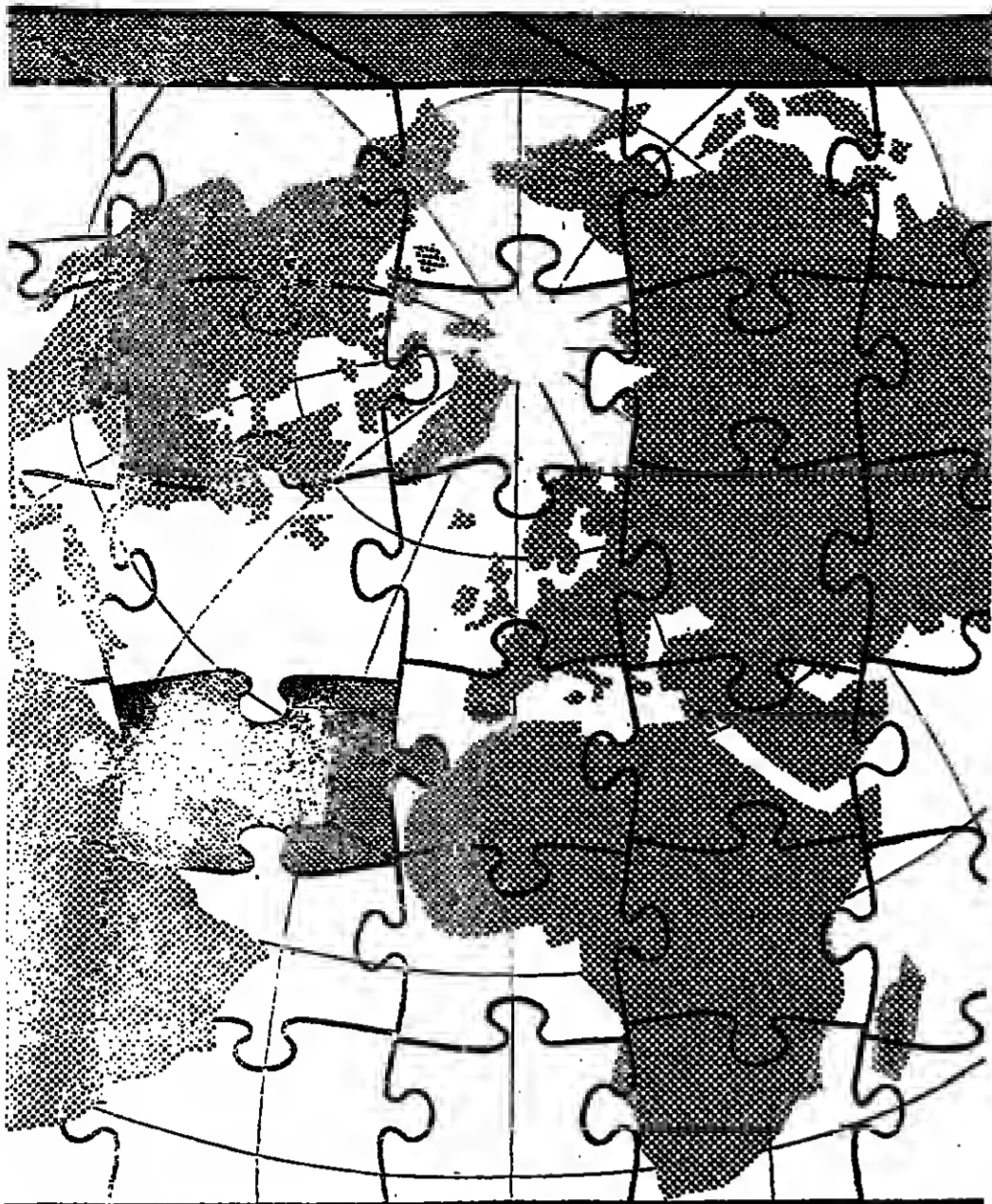
Most motor manufacturers are trying hard for better fuel consumption. Their work has, however, to take into account the economics of mass production and the requirements of pollution control. Nevertheless, there are considerable advances being made on many fronts. It is part of Shell's job to ensure that fuels advance with engine design."



Energy sense from Shell.

INTERNATIONAL ENERGY MANAGEMENT IV

Efforts to find savings cross national barriers



INTERNATIONAL energy-saving efforts are often soured by political disunity and national rivalry. But at the scientific, technical and industrial levels, attempts to overcome the petrol shortage transcend national boundaries.

Many of these efforts are being carried out under the aegis of the International Energy Agency and of the European Economic Community. But there are others which receive less attention in the Press. European countries on both sides of the Iron Curtain have been discussing energy saving within the United Nations Economic Committee for Europe. Energy studies have been carried out by Nato's aptly-named Committee for the Challenges of Modern Society. Another form is the four-yearly world energy conference, to be held next year in Munich.

Then there are the international conferences held independently by the fuel industries, such as "Unical" (the international conference on large systems), and exchanges of ideas by energy-conscious industries like aluminium, paper or chemicals through their international federations.

It is, however, to the IEA that one turns for something approximating an international strategy. The IEA was set up in November 1974, at the height of the energy crisis which followed the 1973 Middle East War. It has become the acknowledged forum for the world's attempt to cut oil consumption, through greater efficiency and the development of alternative fuels.

An autonomous body within the Organisation for Economic Co-operation and Development it is beginning to acquire a voice of its own, with an international audience. This was apparent in its sharp criticism of the insufficient conservation measures by seven of its members in its recent review of 1978 policies. It is also evident in the current International Energy Conservation month, held under IEA auspices.

The IEA's first function was to act as an emergency stockpile for those of its members whose oil supplies dropped by seven per cent. So far it has not had to respond to such a

call. Its other prime task was to foster alternative energy sources and energy research, development and demonstration (RDD).

The cost of the direct co-operative effort by IEA members was put at \$200m last year and is bound to have increased since then. It covers the whole spectrum of RD and D—from advanced research into nuclear fusion and cheap production of hydrogen, to make familiar experimentation with wind, sun and wave power, geothermal energy, biomass conversion and industrial and domestic heat recovery methods.

The programme on heat pump systems had the support of 10 countries. Although many pumps are in use today, most are used for cooling or combined cooling and heating in certain climates. But in exclusively heating applications, the heat pump technology is just at the point of commercialisation. Austria, Germany, Ireland, Italy, Holland, New Zealand, Sweden, Switzerland and the U.S. are engaged in the IEA heat pump programmes.

Exchange

IEA research into heat transfer and exchange techniques is being carried out in five countries—Sweden, Switzerland, the UK, the U.S. and Holland.

Coal technology is one of the biggest areas of research. Projects include a fluidised-bed combustion plant at Grimsby, Yorkshire, and a \$12m gasification pilot plant at Voelkingen, West Germany. Germany, with Sweden and the UK, is also engaged in studies of pyrolysis—to see what happens to coal when it is heated in the absence of oxygen.

Solar heating systems are being studied by several countries not only for heating and cooling of buildings but also as a source of electric power, for which the IEA is sponsoring a pilot plant. Extraction of clean fuel from biomass—plant tissue and biological waste—is being studied by Belgium, Canada, Ireland, Sweden and the U.S. Given the abundance of the raw materials, the long-term importance of biomass energy could be considerable.

Four countries with long stretches of coastline—Canada, Japan, the UK and U.S.—are participating in the IEA's study of wavepower electricity, while wind power projects are being

built in Denmark, Germany, Sweden and U.S., supported by six more countries.

All these are only part of the enormous national and international effort going into energy research, and yet they still amount to little more than a beginning.

The same is true of the European Economic Community's energy conservation programme which, like the IEA, was born in the year after the Yom Kippur War. A recent House of Lords report pointed out that the EEC had yet to draw up a common approach to the major energy issues for coming years, namely mandatory measures and fuel pricing policy.

"The precise role which the Community can play remains obscure," the report said. It complained about the slender resources which the EEC had devoted to conservation and criticised the priorities allotted to research resources.

While this may be true in broad international terms, it does not apply to the EEC as a whole. The EEC has approved for energy-saving demonstration projects. The first allocation, of \$36m, over four years, was approved last year and nine British concerns won some of the \$14m allotted in the first round.

A further \$70m, for a second four-year period, was approved a few weeks ago. It will be for programmes on solar and geothermal energy; production and utilisation of hydrogen; and energy systems analysis and strategy studies. It will also support the installation and assessment of new technology in full scale commercial applications.

Such schemes, however, might not have been possible without a growing consensus among EEC member states about energy sharing as well. Final agreement on how to keep the EEC's annual net oil imports down to 1978 levels between now and 1985 was reached on September 26. While agreeing to hold its total imports down each year, the EEC has left members' share of this burden flexible in the short term.

Member States therefore will be eagerly comparing their own records on conservation with those of the rest of the industrial world. The pooling of this information is another of the functions performed by the IEA on behalf of its 20 members and of France, which is indirectly associated with it through the OPEC.

A summary of conservation

policies in IEA members, published last week, provides further evidence of the way they are trying to tackle their own particular energy problems.

The following extracts highlight some of their key decisions in buildings, transport and industry.

AUSTRIA: The Federal authorities have rejected plans for new oil-fired power stations and insisted on increased usage of coal, especially lignite, which is available in large quantities. But this can be pursued only in agreement with the Laender (provincial states). An association has been formed for the revitalisation of small-sized, industry-owned electrical capacity (up to 240MW). Austria may soon propose a project to the IEA showing that isomer separation can cut crude oil consumption by 7 to 10 per cent.

BELGIUM: So far, emphasis has been placed on information campaigns. Grants of up to 25 per cent of investments have been made available for insulating existing buildings, but owing to cumbersome administrative procedures only half the applications have been dealt with. Measures envisaged for industry include energy audits, and fiscal and financial incentives to invest in energy saving, including combined heat and power (CHP). For transport, the only special measures are speed limits.

CANADA: Grants are available to householders of up to \$350 to cover two-thirds of insulation costs. Computerised energy consumption analysis is also available. There are plans to cut energy consumption by 10 per cent in public buildings from the 1975-76 level and peg it for 10 years. Other measures are voluntary target setting and reporting systems established by 13 conservation task forces; accelerated write off on CHP equipment.

GERMANY: A programme of grants and tax concessions to improve conservation in residential buildings was launched last year. It is expected to cost DM 4.55bn over five years, to stimulate up to DM 20bn of investments, and to save 1.5m tons of oil equivalent per annum. Industry has been offered 7½ per cent grants for energy saving investment; and a total of DM 20m has been set aside in 1979-80 for introducing new technologies. On the roads: revised standards for measuring consumption by cars; and petrol saving techniques are part of the driving test.

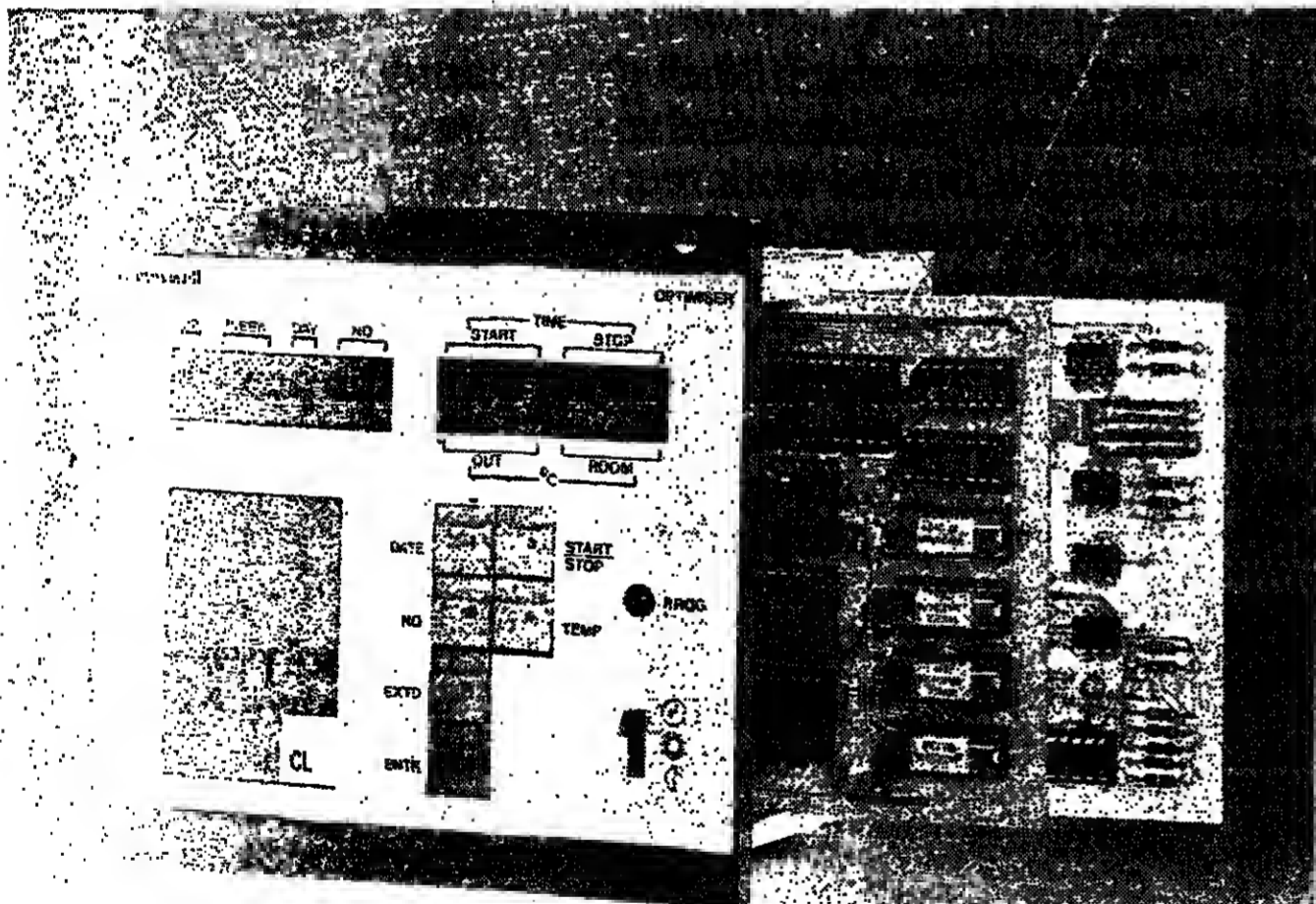
GREECE: Net oil imports are expected to double by 1980, with some oil to be produced domestically from 1982. By 1990, Greece's dependence on oil should decline to about 56 per cent of total requirements—oil imports were 71 per cent of total energy demand in 1977. **FRANCE:** has a coherent energy conservation policy coupled with diversification of resources to modify the country's energy balance. The conservation programme relies heavily on legislative measures. The Government can control consumption, advertising and technical standards. Petrol is subject to a price moderator to encourage energy saving and conservation techniques have been included in driving tests. **IRELAND:** Subsidies on town gas are retained for social policy reasons, as many low income households use it as their main fuel. A mandatory insulation code exists on grant-aided new houses, which amount to about 60 per cent of private housing. It also applies to local authority buildings. Motorists face a car tax for engines over 2,000 cc, graduated according to engine size. **ITALY:** together with Japan, has the highest dependency on energy imports among IEA countries, which account for over 80 per cent of its needs. Petroleum fills more than half industry's requirements. There are plans for conversion and restructuring of plant and incentives for CHP. Progressive sales tax on cars based on engine size. **JAPAN:** Conservation policy relies mainly on market forces. Measures taken so far in the building sector "are not likely to have very much effect," says the IEA. There is a "Moonlight Project" for conservation in industry for which 2bn yen was budgeted in 1978. **HOLLAND:** conservation effort is "among the strongest in the IEA," says the IEA report. It runs a national insulation programme for all houses over a 12-13 year period, with a target of 300,000 dwellings a year. The average dwelling is expected to reach 10 per cent of domestic gas consumption. The Government is also considering the idea of EEC-wide fuel efficiency standards for vehicles. **SWITZERLAND:** Funds for fitting existing buildings have been discontinued and only a few cantons have an effective code stipulating thermal efficiencies for all new buildings. There are no Government funds for industry which has undertaken some initiatives by itself. Petrol taxes are still earmarked for road construction.

Maurice Samuelson

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A watch on industry

ENERGY CONSERVATION promises to become an industry in its own right, shaped by modern technology on the anvil of ever-rising oil prices. This is the impression of a rapidly-growing field, which covers power for industry, space heating of buildings and cities, and research into alternative energy sources.

Yet it is not so much a new industry as the reawakening of an old one after 30 or 40 years of neglect during the age of cheap oil. Many basic concepts, such as heat recuperation or insulation, are not original. But they are being complemented or improved by new materials and technologies, which are spearheading the direct attack on wastage.

Of course, such a conservation industry will find its proper place only if society remains its master, rather than becomes its slave. It will have to stay subordinate to an increasingly confident school of energy management, which puts good housekeeping before extravagant investment in new gadgetry.

Yet this will not happen automatically, if one accepts the concern voiced by Mr. Andrew Buckley of Cambridge Information and Research Services, whose directory of energy saving equipment provides one of the first outlines of the industry in Britain. "I wonder if people who are appointed as energy managers have the authority to go to the people in their own companies who take the key decisions on energy policy," he said recently. "Too many companies are giving the job of energy manager to Joe Bloggs who is coming up to retirement. And yet success hangs down to getting the message of conservation through to senior management."

Mr. Buckley's directory of energy-saving equipment, published for the first time last year, contains about 300 entries for British equipment, in which established techniques jostle with the latest innovations. Two of the biggest categories are electrical controls and insulation materials, which were well established when the energy crisis arrived and therefore well placed to respond to it. But, in Mr. Buckley's opinion, the

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INTERNATIONAL ENERGY MANAGEMENT V

Savings by companies

INDUSTRY currently accounts for some 40 per cent of the total energy consumed by the 19 member countries of the International Energy Agency, but by 1990 the proportion is expected to rise to 45 per cent.

Industry's energy use among 19 countries is forecast to grow at an annual rate of 4.5 per cent up to 1985 and then at 3.1 per cent a year until 1990. These predictions are correct, industrial companies in the developed nations of the West will be consuming no less than 1.58bn tonnes of oil or its equivalent in ten years' time.

Proportion

The chemical industry is a major energy user: not only does it need fuel to power its plants but it also uses gas and products—notably naphtha—raw materials. Within the European Community, chemical producers account for 1 per cent of all the energy consumed by industry, plus an equivalent amount of naphtha and other feedstocks expressed in terms of energy content.

Yet figures from the European Council of Chemical Manufacturers' Association—CECIC—show that Common Market chemical companies are slowly reducing the amount of energy they use per tonne of product. An index with a base of 100 in 1970 shows that energy consumption per unit of chemical production fell to 0.888 in 1973 and has been dropping fairly steadily ever since.

In 1977 the index was at 0.844 and CECIC estimates that by 1982 it will have gone down to 0.800 before dropping again to 0.761 in 1987. European chemical companies in countries outside the EEC are expected to follow a similar downward trend in their consumption of energy per unit of production.

Yet despite the European chemical industry's success in making its use of energy more efficient, the proportion of money it spends on fuels has been rising steadily. It is estimated that in 1973 fuel—not feedstocks—accounted for 21 per cent of the industry's total costs. By 1978 this figure had gone up to 25 per cent.

Individual chemical companies have still managed to make substantial cash earnings as a result of their energy conservation programmes. The Shell group of European chemical companies reckons it has saved some £10m since 1975 simply by better housekeeping and maintenance and by improvements to its production processes.

The Shell chemicals group has also appointed a number of people to look specifically at ways of improving energy efficiency, and it says this has led to "an increase in the number of minor and occasionally major investment projects, which have an energy conservation element in them."

Constant and effective monitoring of energy consumption can also play an important part in the battle to use fuel and hydrocarbon feedstocks more efficiently. This point was stressed by another international chemical company, the Imperial Chemical Industries, at a seminar on energy saving in the chemical industry held in London earlier this year.

ICI noted dryly that opportunities for wasting fuel "abandoned" in petrochemical plants. It added that significant amounts of energy could be wasted without the effects being conspicuous. Traditional methods of energy accounting do not continuously operating plants tended to operate on a weekly or monthly basis—too late for any but the most persistent causes of energy loss to be identified and corrected.

It was not uncommon for plant managers and supervisors to share a genuine belief that the energy efficiency of their production processes could not be much improved. But ICI had made "significant economies" by ensuring that plant managers had "timely and relevant energy performance figures" available.

One of the problems now facing the chemical industry is that many of the more obvious energy savings—the ones that can be achieved through better housekeeping and minor modifications to plants—have already been made. Further improvements in the efficiency with which energy is used will require heavy investment in new plant and production processes. Results will take longer to show themselves.

A number of the major oil companies have committed substantial capital sums to energy conservation. One of the more unusual projects is being undertaken by Shell at its Gothenburg oil refinery in Sweden. The company claims that once the work at Gothenburg is completed in 1981 "no other refinery will be able to match us when it comes to energy saving."

The scheme will involve using what is known as low-level heat from the refinery to supply roughly 35 per cent of the city of Gothenburg's domestic central heating. Low-level heat

—at temperatures of between 150 and 200 degrees Centigrade—will be used to transfer hot water at 100 degrees C or more to the municipal grid and so into the central heating system. It will be taken through a deep tunnel, now under construction, that will pass beneath the Göta Älv river.

The project required a £5m investment in heat recovery and distribution facilities at the refinery itself plus another £5m in transfer lines, including the tunnel under the river. Profits from the venture are to be split between Gothenburg municipality and Shell on a 50-50 basis.

But Shell, like the major chemical companies, admits that future progress in energy conservation "will demand much greater investment than before." For example, one Shell refinery where considerable energy savings have already been made is at Pulau Bukom in Singapore; the group reckons that to achieve a further 25 per cent improvement in energy use there by 1985, it would have to double the present rate of investment, which is already running at between 8 per cent and 10 per cent of the refinery's total budget.

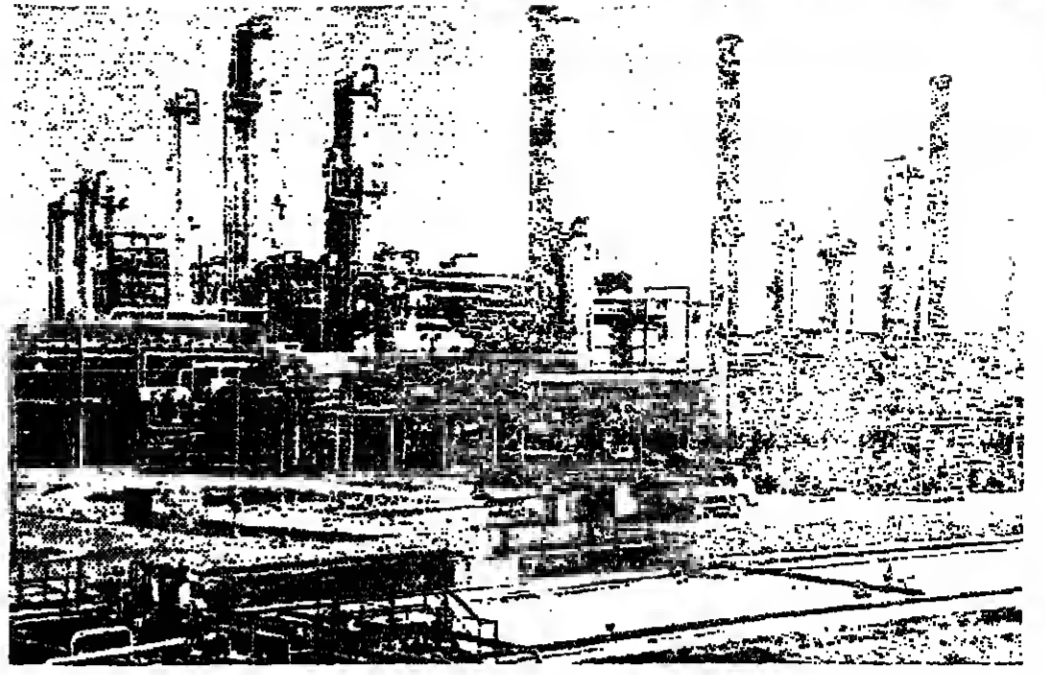
Both the oil and chemical industries are particularly heavy users of energy, and perhaps for this very reason they have been in the forefront of conservation programmes. But the potential for cutting consumption and improving energy efficiency in other industries is clearly considerable—as is illustrated by an IEA calendar published by the U.S. Department of Energy.

The calendar for this month lists some of the energy conservation conferences and seminars that are being held around the world by various industrial groups. They include a meeting in Dublin for the dairy industry,

another in Staffordshire in the UK for brewers, a third in Amsterdam for the pulp and paper industry; in Tokyo there is to be a conference on the utilisation of urban waste heat and in London there will be another on the rational use of energy in buildings.

Yet despite the growing awareness of the need to save energy and the efforts of individual industries and companies, the IEA can still claim that "in industry only limited efforts have been made to date in assessing energy conservation potential."

The rise in energy prices that has taken place this year has given considerable impetus to the search for better ways of curbing energy costs and energy consumption. The IEA reckons that industry in its member countries could cut down on energy consumption by between 10 per cent and 15 per cent in 1985. It remains to be seen whether industry will fulfil its potential for energy conservation.



Low-level heat from Shell's Gothenburg oil refinery is to be used to supply about a third of the city's domestic heating

perhaps for this very reason they have been in the forefront of conservation programmes. But the potential for cutting consumption and improving energy efficiency in other industries is clearly considerable—as is illustrated by an IEA calendar published by the U.S. Department of Energy.

Sue Cameron

Industry

CONTINUED FROM PREVIOUS PAGE

ound coil. Two heat exchangers, usually multi-row ones, are linked by a pumped water or water/glycol anti-freeze circuit. It uses pipework rather than duct work and as finned coils are not the best way of transferring heat, they have efficiencies of only 10-35 per cent. But because they can transfer heat between supply and exhaust ducts some distance apart they are perhaps the only method which can be applied to existing ducting systems.

Plate heat exchangers look like old-style ribbed radiators compressed into thin plates, joined together to form thin passages. Hot exhaust fluid passes one way and incoming supply the other way, through parallel alternate plates. Used to extract heat from waste water and various kinds of exhaust, they can recover between 60 and 80 per cent of the waste heat available when operating with air or gases, and up to 90 per cent when operating with liquid. Applications include recovery of heat from boiler gases, dye effluents, caustic soda processing and whisky processing.

Heat pumps are currently the focus of great popular interest. They do not merely recover but increase the quality of waste heat. There have recently been great improvements in pump systems, although this has not led to the introduction of any techniques on a large scale which were not known for many years. In Britain, they had a bad name for many years because of the well-publicised failure of a large system in the Royal Festival Hall, London. Nevertheless, they are attracting growing attention.

Like the mechanism in a domestic refrigerator, they extract heat from one area and deposit it in another. They have conservation potential because they produce more heat than they consume. Conventional electric resistance heating uses 1 kilowatt to produce 1 KW of heat. An efficient heat pump can use 1 KW of electricity to produce 3 KW of heat by transferring and intensifying heat already in the surrounding atmosphere.

Although less popular in the UK than in the rest of Europe and in North America, they are catching on here too. The Mothercare children's clothing group has installed heat pumps in 20 retail stores and in its head office to provide year-round air-conditioning for the price of electric heating only.

Cheaper Mothercare reckons that an air-to-air heat pump will be 65 per cent cheaper per square metre than a central plant gas boiler, for a retail outlet of 200 square metres. Because the pump is usually put on the roof, a plant room is not needed. Electrical air conditioning is 21 per cent cheaper, but the running costs per square metre are nearly double those of a pump.

Pumps were also recently installed in two London restaurants and Sir Francis Tombs, chairman of the Electricity Council, has urged hospitals to use them as an aid to good environmental conditions as well as cheaper fuel bills. However, their industrial applications at present seem limited to processes which require both heating and cooling, such as drying by de-humidification. They have not yet become common for industrial heat recovery.

In contrast with pumps which amplify heat, the husbanding of fuel in space heating is the function of a wide range of controls, thermostats, time clocks and optimisers, many of them products of the micro-processor revolution. The Property

Services Agency, responsible for Britain's public buildings, has reduced energy use by about 30 per cent compared with 1972-73 by using optimum start control systems.

These are designed for use in intermittently occupied buildings and their function is to switch on heating according to weather conditions outside and to ensure that the required space temperature coincides with the commencement of work. At weekends, when the building is shut, the optimiser recognises the loss of fabric heat and provides an earlier start on Monday morning.

Optimisers are now being built into computerised systems of "building management" which include security and lift operations, and emergency power monitored by a small staff from a central control board.

Precedence

Honeywell, which has installed 8,000 optimisers since 1970, says that heating energy savings of 20-40 per cent can be gained in intermittently occupied buildings. Landis and Gyr is a British company in the forefront of control technology. (It has won a contract to maintain the controls on 700 public buildings in the UK extending from The Wash to the Welsh border.)

It is a moot point whether use of optimisers should take precedence over insulating a building against unnecessary heat loss. Eurisol-UK, the organisation representing five British mineral fibre manufacturers, estimates that there are 9.48m square metres of industrial roof area in Britain. If insulated according to its recommendations, heat loss would be cut by 40 per cent, saving 31,000-40,000 tons of oil a year. Another 18,200 tons could be saved by insulating the 6.6 square metres of industrial wall.

There are various ways of insulating pitched roofs—by installing a false ceiling or spraying insulation material on to the underside of the roof. Cavity walls can be filled with a wide range of foams or fibres, while solid or single-skin walls can be given lightweight insulation panels on the inside or cladding on the outside.

Mineral fibre is made from rock or glass and comes either in blocks or fine particles which can be blown into cavities. Polyurethane, which is lighter but has sometimes been criticised as a fire risk, may take a larger slice of the market because of its cost. At present, it is believed to have a 20 per cent market share.

However, as this article stated initially, it is management and maintenance which are the starting point in the attack on fuel wastage. A sobering example of this is the wastage which occurs from failing to ensure that boilers are fed with properly treated water to keep them free of scaling.

Quite apart from the dangers caused by scaling inside boilers, it can account for an increase in fuel consumption of 3 or 4 per cent on a boiler which might use £1,000 of fuel a week. For such problems, the new conservation industry provides no easy panacea. It can be done only by routine testing and maintenance, which in turn involves the need for properly trained staff.

Maurice Samuelson Energy for Industry and Commerce 1979-80: Market Review and Directory of Energy-Saving Equipment (Cambridge Information and Research Services, in association with the School of Fuel Management); Price £15.

Energy conservation is a profitable business. Advertisement featuring a cartoon character and large text.

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Conflicting interests double U.S. oil bill

THE U.S. has come a long way since President Nixon launched Project Independence to end America's need to import oil by 1980—but a long way in the wrong direction. In Mr. Nixon's day, the U.S. imported about 4m barrels of oil a day. Today, it imports more than twice that much. What has gone wrong?

It would be easy to accuse the U.S. of grossly mismanaging its energy problems. But while many Europeans frequently do that with a touch of smugness, such an attitude fails to take into account the enormous complexity of the U.S. economy, the conflicting interests over energy (between producing and consuming states, for example), and the endless political rivalry that goes on in Washington between Congress and the White House.

If all this is taken into account, the U.S. has not done badly at all, particularly under President Carter who has used his executive authority to the full to tackle such matters as energy pricing which lie at the heart of the whole energy problem. The U.S. is now striving to reduce dependence on oil, to bid back the growth of imports, develop new fuels and rationalise transport.

Much of this is still in the letting pot, though, and it is still far from certain that the U.S. will have a proper energy management policy by the time next year's elections paralyse the political process once more.

Historically, America has been fortunate with energy. This basic resource has been cheap and abundant and when it became expensive it was elsewhere the Government was able to take steps to keep supplies up and prices down at home.

Until the beginning of this year, the country was largely insulated from trends on the world market. Regulations freezing the price of most domestically-produced oil enabled Americans to keep driving their 8 mpg cars while their wives used electrically-driven flour sifters in their kitchens. However, apart from adding to the envy and ire of other advanced countries, this state of affairs was also undermining the value of the dollar by stimulating vast oil imports.

Sensible

President Carter had earlier tried to put together a coherent energy policy that would have brought prices close to world levels and encouraged Americans to consume cheaper and more sensible fuels like coal. However, his ill-fated 1977 Energy Bill encountered every conceivable opposition in Congress. Consumers did not want prices to go up, producers said they should go up more than Mr. Carter proposed. Industry wanted to produce more coal, environmentalists said no, and so on.

But the tattered Bill which finally emerged last autumn contained at least one important measure: the de-regulation of natural gas prices. Although the means by which this will be accomplished are very complex (and in some cases they actually strengthen rather than reduce Government control), the measure was a prelude to Mr. Carter's second important step, the de-regulation of oil prices.

Despite the inflationary implications of a time when prices were rising at over 10 per cent

a year, Mr. Carter used the authority granted him under earlier oil legislation to phase out oil price controls between last June and September 1981, by which time they should be close to world levels.

However, he attached to this move a proposal to tax a large part of the windfall profits that the oil industry is bound to make as a result of de-regulation. Whether he did this out of ideological zeal or as a sop to get de-regulation through, the tax has turned out to be far more controversial than de-regulation itself.

Exceptions

Mr. Carter originally asked Congress to pass a 50 per cent tax, with some exceptions, the main one being Alaskan oil because of the high cost of developing it. However, the House of Representatives increased this to 60 per cent and threw in Alaskan oil for good measure.

The Bill then went to the Senate which is still deliberating it, but which is expected to take a more pro-oil industry view than the House and reduce the tax rate. The final House-Senate compromise may therefore turn out to be close to what Mr. Carter wanted in the first place.

Attention will then turn to what use should be made of the windfall profits tax revenue.

Mr. Carter has proposed a special energy security corporation with \$880m to spend over the next ten years to stimulate development of alternative fuels, such as synthetic oil and gas from coal. A separate agency will promote solar power, a wide category which includes wind, tides and even hydro-electricity.

Parallel to this, Mr. Carter wants an energy mobilisation board or "fast track agency" whose job it will be to sort out energy priorities and push urgent projects through the regulatory process. Not surprisingly, environmentalists have reacted with alarm to this proposal since, as one of them puts it, it could end up with a dam being built in the Grand Canyon as a "national priority."

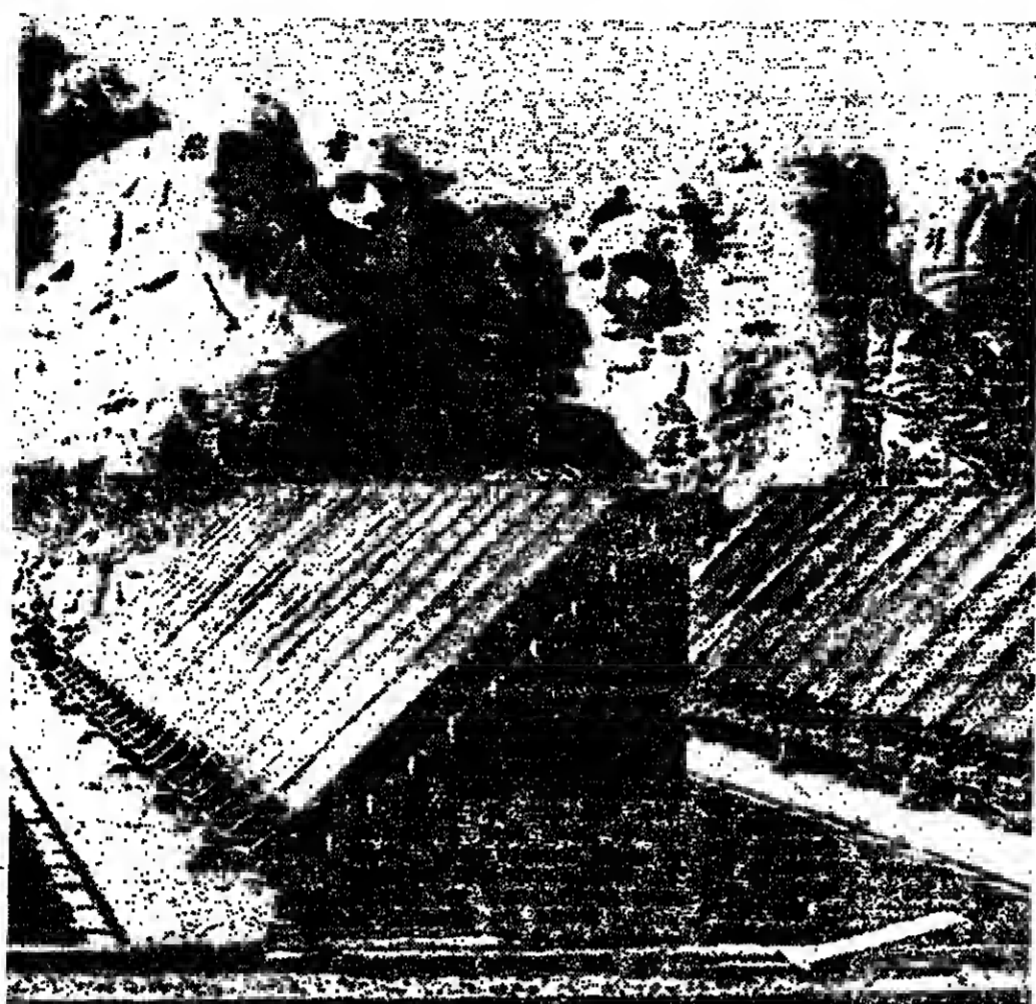
However, with the huge amount of Government regulation now a major factor in energy development, the fate of the energy mobilisation board proposal could well be a test of how urgent the energy problem is considered to be by the U.S. public and Congress.

The one major energy area where there are still no firm proposals is nuclear power, for obvious reasons. The Three Mile Island accident sparked strong anti-nuclear feelings, and it would take a bold Government to come out with a strong commitment to the atom just now.

The public also has reservations about coal, even though this is the U.S.'s largest single energy source. There is currently a lot of spare capacity in the country's coal industry, and the Administration would dearly like to exploit it more fully, both for burning in power generation and for processing into more readily transportable and consumable forms.

However, there is also strong environmental opposition to coal, both because it messes up the landscape and because it is dirty to burn. And until new technology such as liquefaction or gasification is mastered on a large scale, its prospects must be deemed modest.

But perhaps the greatest single contribution to the



Rising heating oil prices have resulted in an increasing use of solar power in the United States. Here, solar collectors provide about half the energy needed for heating and air-conditioning the visitors' centre at Mount Rushmore National Park

energy problem will be made by what a recent study described as the source which produces no radio active waste, no pollution and no petro-dollars: conservation. That study, by the Harvard Business School, concluded that a serious commitment to energy conservation could reduce U.S. energy consumption by 30 to 40 per cent without affecting the standard of living.

In fact, more progress than is often realised has already been made in conservation. The growth of energy consumption in the U.S. has been slower in recent years than in Europe, thanks to measures taken after the Arab oil embargo. The rapid switch to smaller cars in the next two or three years ensures that this trend will continue, as do incentives to insulate homes.

The biggest jolt, though, will come from the sharp rise in petrol and heating oil prices which are just beginning to bite. With the petrol price already up nearly 50 per cent since Mr. Carter began oil price de-regulation, and heating oil likely to cost nearly twice as much this winter as it did last, the American consumer is already driving far less, and turning his thermostats down. Similarly, in industry, there are many examples of dramatic fuel savings in establishments that put their minds to it.

The prospects of the U.S. meeting its June Tokyo summit commitment to hold oil imports at 1977's 8.5m barrels a day level are therefore held to be good. But some tough decisions will have to be made soon on such questions as nuclear power and coal development if a satisfactory energy balance is to be maintained in the long term.

David Lascelles

Japan switches energy sources

JAPAN'S MAIN target in the energy field is to reduce its oil imports from 75 per cent of the country's total energy consumption today to 30 per cent by 1990. To achieve this the government hopes to develop production and consumption of four alternative types of energy—steam coal, nuclear power, LNG and LPG.

Coal imports, which at present amount to about 1m tons a year, are to be raised to over 50m tons by the mid-1980s. Nuclear power generation, it is hoped, will rise from 10m kW today to 30m kW in 1985 and 53m kW in 1990. Consumption of LNG is scheduled to reach 29m tons in 1985 and 45m tons in 1990.

Conversion to these energy sources is likely to be costly—the total investment involved in the Government side alone could reach 4,000bn yen (nearly \$15bn) and to cover these costs the government is likely to have to introduce new taxes on fuel consumption, as well as converting the use of existing fuel tax revenues from road building to energy diversification.

Finance is not the only problem that has to be solved in order to implement energy diversification targets. In the

case of nuclear energy much depends on the speed at which sites for new power stations can be approved in an environmentally conscious nation. Environmental problems may also arise with the switch to coal-powered electric power generation that is implied by the programme, but Japan hopes to solve such problems provided adequate financing is available.

Two other objectives of Japan's energy programme are: to develop indigenous oil resources and to economise on energy consumption. Oil prospecting around Japan's coasts and in the continental shelf area between Japan and Korea is now under way and the chances of finding oil in part of this area are thought to be good.

However, production from fields which may be discovered near Japan is likely to take at least ten years to develop commercially. Therefore the local oil search has little relevance to energy supply prospects in the period up to 1990.

Energy conservation in Japan is conducted under a voluntary programme drawn up by the Ministry of International Trade and Industry has reserve powers

to introduce rationing).

Measures which affect the individual include the Sunday closure of petrol stations (under government "guidance") and the reduced use of air conditioning in offices and government buildings since early this year. Room temperatures will be set at slightly lower temperatures this winter (a maximum of 19 deg. Centigrade is the recommended figure) and private homes may use less kerosene following a decision by MITI to decontrol prices of this basic home heating fuel.

In industry (where the bulk of Japan's energy consumption occurs) conservation programmes have been under way for the past several years and appear to be yielding good results. Industries which have reduced their energy consumption substantially per unit of output since the 1973 oil crisis include steel and motors.

Despite the emphasis being placed on diversification and conservation, Japan still expects to increase its oil imports during the next few years, but at a much slower pace than might otherwise have been the case. The target for oil imports in 1985 is 6.5m barrels per day

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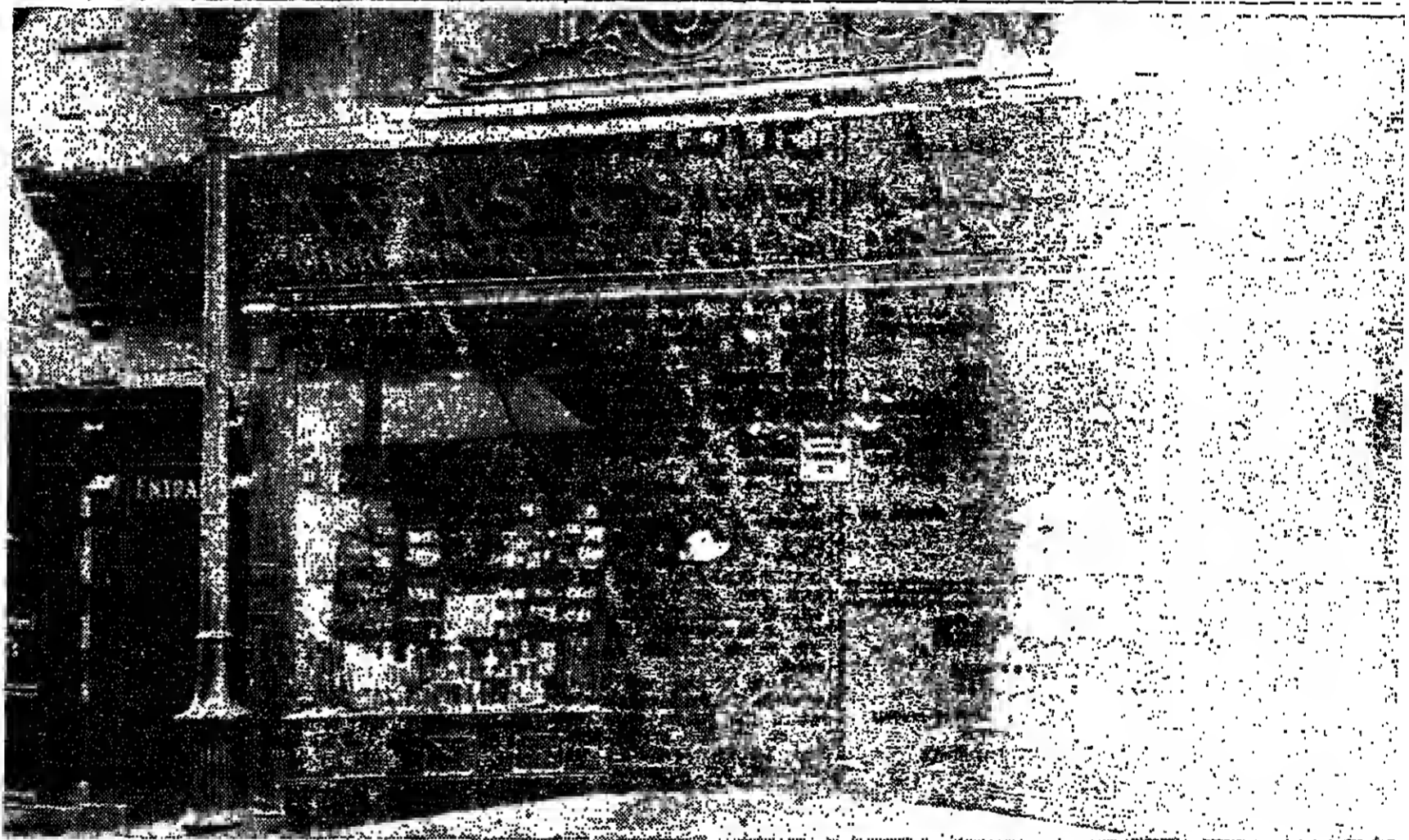
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MAKE THE MOST OF ENERGY

INTERNATIONAL ENERGY MANAGEMENT VIII

Europe trims its growth forecasts

THE CUT-OFF in oil supplies from Iran earlier this year and the steep rise in OPEC prices which followed it have had, so far at least, a less devastating impact on Western European economies than the first export embargo and four-fold price increases in 1973-74.

Though the latest supply problems have led to trimmed-down growth forecasts and an aggravation of inflationary pressures, the EEC as a whole is still expected to achieve real economic growth of about 3 per cent this year and next. That is in spite of the widespread adoption of tight monetary policies and the deliberate decision by most governments to allow higher energy prices to flow directly to consumers.

Yet the nine Common Market countries have also managed to mount a more convincing display of co-operation in confronting the latest threat to their oil supplies than they did five years ago. For the first time, in conjunction with the U.S. and Japan, they have committed themselves formally to trying to stabilise the level of their combined annual imports over the medium-term. The Nine aim to keep their total imports at or below the 472m tonnes which they imported last year.

The decision was finalised only with some difficulty. Though the overall EEC target was established at the European Summit in Strasbourg last July, the smaller EEC countries were resentful at not being consulted

at the Tokyo world summit later that month, at which Britain, France, Germany and Italy agreed to urge their Community partners to agree to national limits as well.

The process of distributing the overall limit internally between the Nine has taken a full two months to achieve. Initially, each country sought the highest possible national "quota", arguing in turn that it needed a higher ceiling than in 1978 to allow for future economic growth. In the end, Germany, Italy, the Netherlands, Belgium and Ireland were, for different reasons and in different degrees, allocated more than their 1978 imports. That was made possible by restraint on the part of France and Denmark and by Britain's expectations that rising North Sea oil production would turn it into a modest net exporter over the six years.

The practical value of the exercise is open to question. The figures are based on a perhaps optimistic assumption that the EEC's economic growth rate will average 3.8 per cent a year during the period. But economic forecasters have difficulty these days peering even six months ahead, and few would chance their arm on a prediction stretching to 1985.

Moreover, no sanctions are envisaged to ensure that the limits are respected. But it is hoped, none the less, that the commitments will provide a goal, from which countries will not deviate too far for fear of

international recrimination, and that the oil producers will be persuaded that the EEC is taking its responsibilities seriously.

The second main thrust of the Community's efforts since the Iran crisis has been towards shedding more light on the operation of the oil market. French demands for direct control of the Rotterdam "spot" market have been headed off in favour of a proposal to establish an official register of all oil imports entering the EEC. Though the idea has been endorsed in principle by the Council of Ministers, full agreement on its detailed implementation has still to be achieved.

Arrangements

The main points still at issue are how much information should be sought on import shipments, how it should be handled and what arrangements should be made to safeguard its confidentiality. Both Britain and Germany have insisted, too, that the system must be part of a wider effort embracing the U.S. and other major oil importers to build up a clearer picture of the market. The Nine are also exploring the possibility of setting up an oil exchange, on the lines of a stock exchange, to bring more discipline to the spot markets.

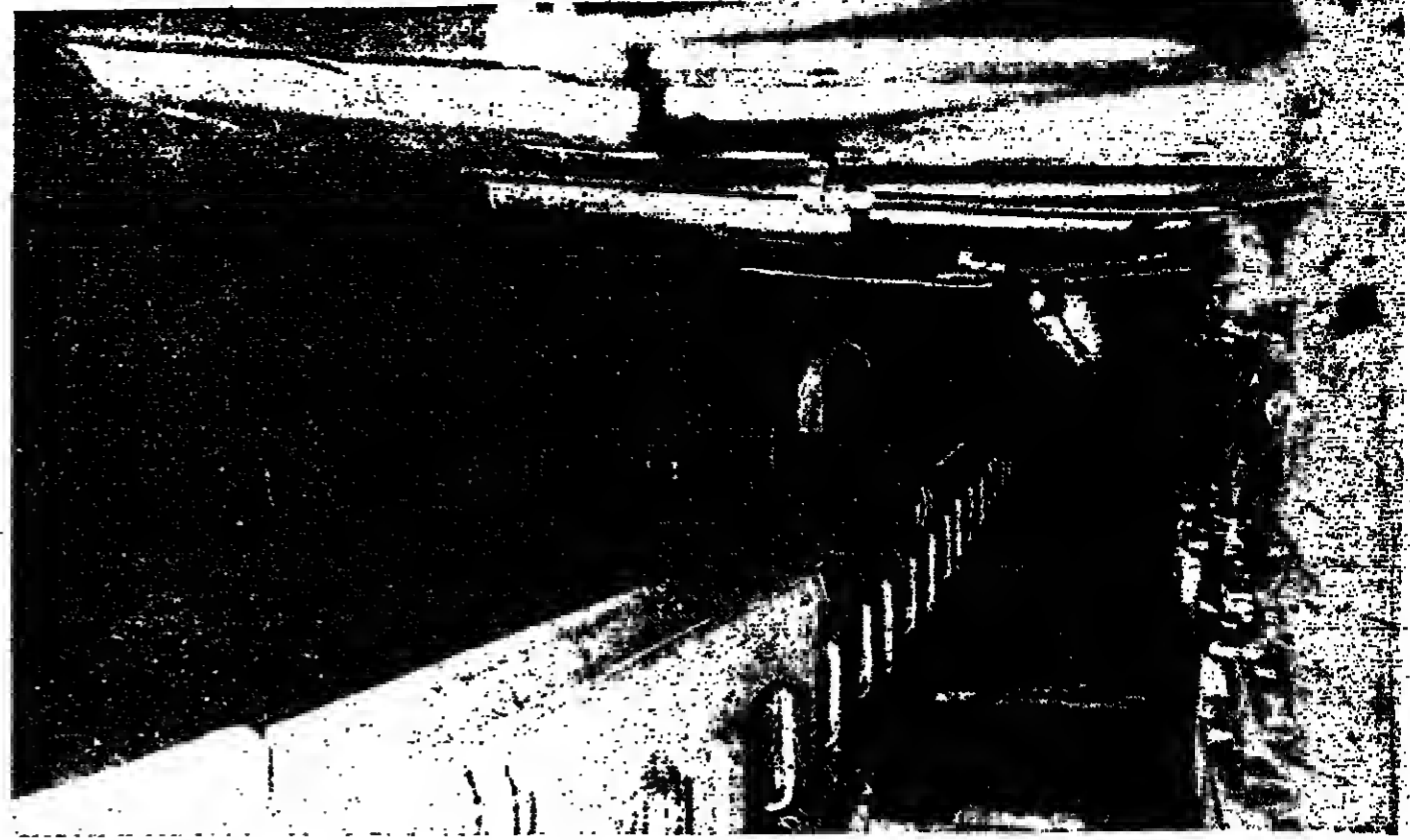
Current trends suggest that the EEC is more likely to limit its oil imports by restricting demand than by expanding supply from indigenous sources. The assumption is implicit on the Community's decision to try to change the link between economic growth and energy consumption from its past

ratio of one-to-one to 0.8-to-one over the period. That, of course, would be an average over several years, as figures can vary widely from year to year, depending on the movement of the business cycle.

The European Commission believes that a serious start has been made to conserving energy already, though disagreements persist with the U.S. over whether the Americans or the Europeans have done most over the past few years. According to EEC statistics the Community's total oil consumption fell by almost 10 per cent between 1973 and 1978, the U.S. recorded gains of 10.5 per cent and 34 per cent respectively, though at a time when its economy was growing faster than those of European countries.

The degree of effort put into conservation varies significantly between EEC countries. By and large, Germany, Denmark and the Netherlands, have undertaken the most expensive and ambitious programmes, with Britain and France not far behind. Less has been done by Belgium, where demand has been depressed anyway by the slump in its steel industry, and by Ireland and Italy, the EEC's two least-developed economies.

The emphasis on demand as the main instrument for cutting oil imports stems largely from the uncertain prospects for any significant medium-term expansion of the Community's own energy production. Further, the supply mix varies between countries much more than the pattern of consumption, and it has proven impossible so far to achieve the kind of political



Advanced technology coal mining equipment being used at Bentley Colliery, Doncaster. Coal is the best hope for filling Europe's energy gap

compact between governments needed to create a genuine common policy in this area. For the foreseeable future, supply policies seem likely to remain firmly in national hands.

Only Britain has any sizeable oil resources of its own. But while these should be sufficient to ensure its own self-sufficiency over the next decade, production will not be enough to satisfy more than a fraction of other member states' needs. The Netherlands still has large reserves of natural gas, though output levels are expected to continue to decline.

In the nuclear field, only France is pursuing a really aggressive expansion programme. It aims to increase its installed nuclear capacity from 6.5 Gigawatts in 1978 to 15.6 GW by next year and to 38.3 GW by 1985, by when it expects that more than half its electricity supplies will be generated in nuclear plant. But strong political resis-

tance has stalled the development of nuclear power in Germany and the Netherlands, while Italy is experiencing practical difficulties in getting its programme off the ground. Despite EEC leaders' public commitment to giving nuclear power a high priority, it now looks as though installed capacity in the Community as a whole will be only about 83 GW by 1985, half the target level fixed for that year in 1975.

That leaves coal, the Community's biggest indigenous energy resource, as the remaining hope for filling the gap. Both Germany and Britain have been pressing for months for an agreement on a proposal by the Commission to grant Community subsidies to encourage the use of EEC-mined coal in power stations. But the plan has made little headway so far. It faces both political and practical obstacles. Mr. Anthony Wedgwood Benn, Britain's former Energy Secretary, managed

to antagonise his EEC counterparts so effectively while in office that there was no incentive for them to give him what he wanted. His successor, Mr. David Howell, has not yet had the opportunity to retrieve the situation, though his style is better appreciated in Brussels. In addition, Italy which imports almost all its coal from outside the EEC, has insisted that it will approve the proposal only if other governments agree to subsidies to help reduce its excess refinery capacity.

The size of the coal subsidy envisaged, about \$140m, is also too small to make much difference. The EEC imports about 45m tonnes of coal a year at prices as low as \$30 per tonne, as little as one third of the price of coal mined in the Community. Further, there is not much EEC-mined coal available: about 50 per cent of last year's output was burned in the two countries which mined it.

Britain and Germany, though supplies would presumably respond to a strengthening demand.

The Commission has not yet abandoned hopes for its scheme and intends to press hard for its adoption before the end of this year. But it is doubtful whether any agreement can be reached unless it contains some provision also to subsidise imports from outside the Community.

Ironically, the one area where the Community has chalked up a modest success is in helping to sponsor research and development of more unorthodox alternative energy supplies including geothermal, solar hydro-electric and wind power. But last year these sources supplied less than 4 per cent of total needs and are likely to remain peripheral for many years to come.

Guy de Jonquieres

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Sources

CONTINUED FROM PREVIOUS PAGE

compared with estimated 1979 imports of 5.4m barrels.

It is officially claimed that Japan can stay within the 6.3m barrels limit and still achieve the GNP growth rate of 5.8 per cent per year (real terms) laid down in the latest seven year social and Economic Development Programme — published this summer. Oil imports, however, will have to grow at less than half the GNP growth rate if both targets are to be attained, a difficult if by no means an impossible task.

As an oil importer Japan faces one major problem not shared — or not shared to the same extent — by other industrialised countries. It was heavily dependent, until the recent past, on "third party" sales by the international majors and so has suffered badly from the recent cutback on such sales.

About 40 per cent of the average of 3.8m barrels per day which the majors were channeling to third parties before the Iranian revolution were destined for Japanese customers. When these sales were cut back after the Iranian revolution Japanese importers (including refiners) were obliged to make up much of the difference by buying from

the spot market—a course of action which, not surprisingly, helped to push up spot market prices.

Japanese companies are still understood to be experiencing great difficulty in filling the gap. These difficulties have prompted left by the major's cutbacks, the government to step up its efforts at arranging direct deals with oil producing countries (including Iran and Mexico).

In the first half of the current fiscal year (starting last April) Japan was relatively successful in meeting its oil import needs. Stocks were held steady, or rose slightly through the six months and the government was able to claim that, for the time being, everything was under control.

MITI has remained silent however—possibly because of a reluctance to rock the boat during the campaign running up to Japan's general election last Sunday—about the prospects for the second half of the fiscal year. During this period it could prove more difficult to import enough oil to meet consumption levels with the result that stocks may have to be drawn down.

Charles Smith

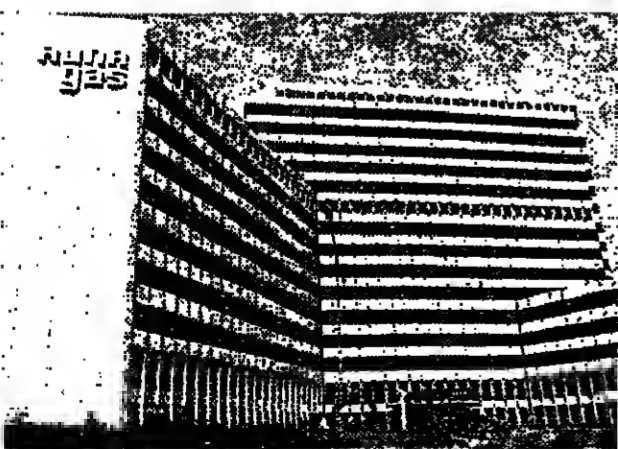


Japan's energy-saving measures include Sunday closure of petrol stations and reduced use of air-conditioning in offices and government buildings. Pedestrians in the Ginza district of Tokyo

Why did 40 companies decide to locate in CLWYD last year?

Because they realised that Clwyd's large multi skilled work force, proximity to major markets, and national/international communications networks were tailor-made for them. With its full Development Area status, this progressive Welsh county dominates the regional development scene. The news in Clwyd is about sales, not strikes—and it's a great place to live too. Talk to us about the low-cost sites, the extensive financial aid available to incoming industries—we'll make you a deal you can't refuse. Contact Wayne St. Morgan, County Industrial Officer, Clwyd County Council, Chive Hall, Mold (Tel. Mold 01211) for your free colour brochure.

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Ruhrgas supplies natural gas to a large market in the Federal Republic of Germany through a complex pipeline system which carries the gas to the customers. Ruhrgas has concluded a number of major natural gas import agreements and is currently involved in other natural gas import projects. Ruhrgas is a partner of standing in the international natural gas business.

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Companies and Markets UK COMPANY NEWS

BIDS AND DEALS

Oil Exploration in merger talks

Oil Exploration (Holdings), the oil and gas concern, is in discussions with an unnamed party which could lead to an offer for the company's shares. On the Stock Exchange the group's shares rose 8p to 482p.

BTR offer to Campbell & Isherwood

BTR, the rubber manufacturer, is buying Campbell and Isherwood, the electrical engineering group, in a 175p per share cash deal.

ship owning, with the operational management contracted out to third parties, did not promise an adequate return on the funds invested.

Metcalfe, incorporated in 1929, owns 14 general cargo vessels and operates in the spot charter market.

F. Lilley buys construction group in U.S.

F. J. C. Lilley, civil engineer and public works contractor, is to acquire 80 per cent of Harrison Western Corporation of Denver, Colorado, U.S., in a deal worth \$4.5m (£2.25m).

ROSEHAUGH SHARES SUSPENDED

The listing of Rosehaugh Company shares have been temporarily suspended pending publication of reorganisation particulars.

HAWTIN

The acquisition of H. Sumner by Hawtin has been completed. A total of 500,000 new ordinary shares have been issued to the vendors.

William Boulton falls to £0.9m

WITH a downturn in the second six months, pre-tax profits of the William Boulton Group dropped from £1,369,896 to £902,696 for the year to June 30, 1979, and the directors warn that since the end of the period, a number of group companies have suffered from the recent disruption in the UK engineering industry.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interim or final and the sub-dividends shown below are based mainly on last year's timetable.

TODAY Interim—Associated Power Engineering, Associated Biscuit Manufacturers, Bankers' Investment Trust, Barr and Wallace Arnold Trust, Sawchips, Tamall Electronics, Jampa Group, Lasey Products, M. F. North, Ruberoid, Sears Holdings, Senior Engineering, Stantec, Canadian Overseas Packaging, Stohart and Pitt.

FUTURE DATES Interim—Aberdeen and Bristol Channel Portland Cement, Oct. 15; Mellin-Denny, Oct. 30; Marks and Spencer, Oct. 18; McCleary L'Amis, Oct. 18; Inat Holdings, Oct. 11; Steel Brothers, Oct. 16; Telephone Rentals, Oct. 24; URM, Oct. 18; Western Brothers, Oct. 19; Fawcett Estates, Oct. 19; HTV, Oct. 18; Kent (M. P.), Oct. 20; Ferguson Zochonis, Oct. 22.

W. Pickles profit fall

TURNOVER of William Pickles and Co., Manchester-based textile maker, rose slightly from £12.12m to £12.92m in the first half of 1979 but pre-tax profits were £237,781 compared with £316,306 in the same period last year.

Mr. D. S. Greensmith, chairman, says the result bears out his remarks at the last annual meeting that improved results this year based on the major reorganisation could not be expected.

However, the first half marks the beginning of the upward trend when account is taken of the phasing out of the temporary employment subsidy which has fallen from some £204,000 last year to £35,000 in the first half this year, the chairman says.

The reorganisation continues together with the investment plan to modernise production facilities and the marketing strategy to help in the creation of new merchandise aimed at a broader trading area.

comment

Although the news from William Boulton is disappointing, it is not unexpected. A 16-week strike (April-June) at the group's major process plant has cost the company several hundred thousand pounds in lost profits and so the year-end performance is really the product of eight months. The transport strike in early 1979 resulted in a series of hold-ups and delays, particularly for exports (which account for one-fifth of turnover). The interest charges have doubled, a consequence of both higher rates and spending by the company last year.

BOND WORTH

Bond Worth, the carpet manufacturer, whose joint receivers had reported a deficiency of over £17m, was controversially wound up in the High Court.

COWIE HAS NEARLY 28% OF EWER

T. Cowie, the Sunderland-based car dealer, has added to its recently purchased 25.4 per cent stake in George Ewer, a coach operator and motor distributor.

LASKYS SALE APPROVED

Shareholders of Audiologic Holdings have approved resolutions for the sale of Audiologic (Retail)—the Laskys Hi-Fi chain—in Ladbroke Group.

PANEL RULING UPHELD

The Takeover Panel has upheld an earlier ruling by its executive that, for the 12 month period before a bid is made, a net figure of share sales and purchases not obviously linked with offer is used to determine the level of the bidder's original holding.

CAPESEALS SALE TO MARDON

Mardon Packaging International is to buy Lloyd's Cartons from Cape seals, the packaging materials manufacturer, for £1.3m cash.

The deal is expected to be completed towards the end of this month.

FURNESS WITHY BUYS METCALFE SHIPPIING

Agreement has been reached for Furness, Withy, the British shipping group, to buy Metcalfe Shipping.

Mail Order freemans

Interim consolidated financial statement for the 28 weeks ended 11th August 1979 (subject to the year-end audit)

Table with 4 columns: £000's, 28 weeks ended 11th August 1979, 28 weeks ended 12th August 1978, 52 weeks ended 27th January 1979. Rows include Turnover, VAT, Trading Profit, Interest Payable, Profit before Taxation, Taxation, Profit after Taxation, Dividends.

Dividend The Interim Dividend is 1.5p per share (1978 1.05p), and will be paid on the 6th December, 1979 to shareholders on the register on the 9th November, 1979.

Comment This year started badly, with an estimated loss of over £3m sales because of the delay in our receipt of catalogues and goods during the transport strike.

Considering the retail sales background during the summer the second catalogue has started reasonably well, but this is a particularly difficult season to forecast. Patterns in consumer spending have yet to settle from the change in relative prices brought about by the single rate of VAT introduced in June.

Anthony Rampton Chairman

LOCAL AUTHORITY BONDS

Every Saturday the Financial Times publishes a table giving details of LOCAL AUTHORITY BONDS on offer to the public. For advertisement details please ring E. Keldart 01-248 8000, Extn. 266

L.G. Index Limited 01-351 3466. Three months Sugar 146.45-148.25 29 Lamont Road, London SW16 0HS.

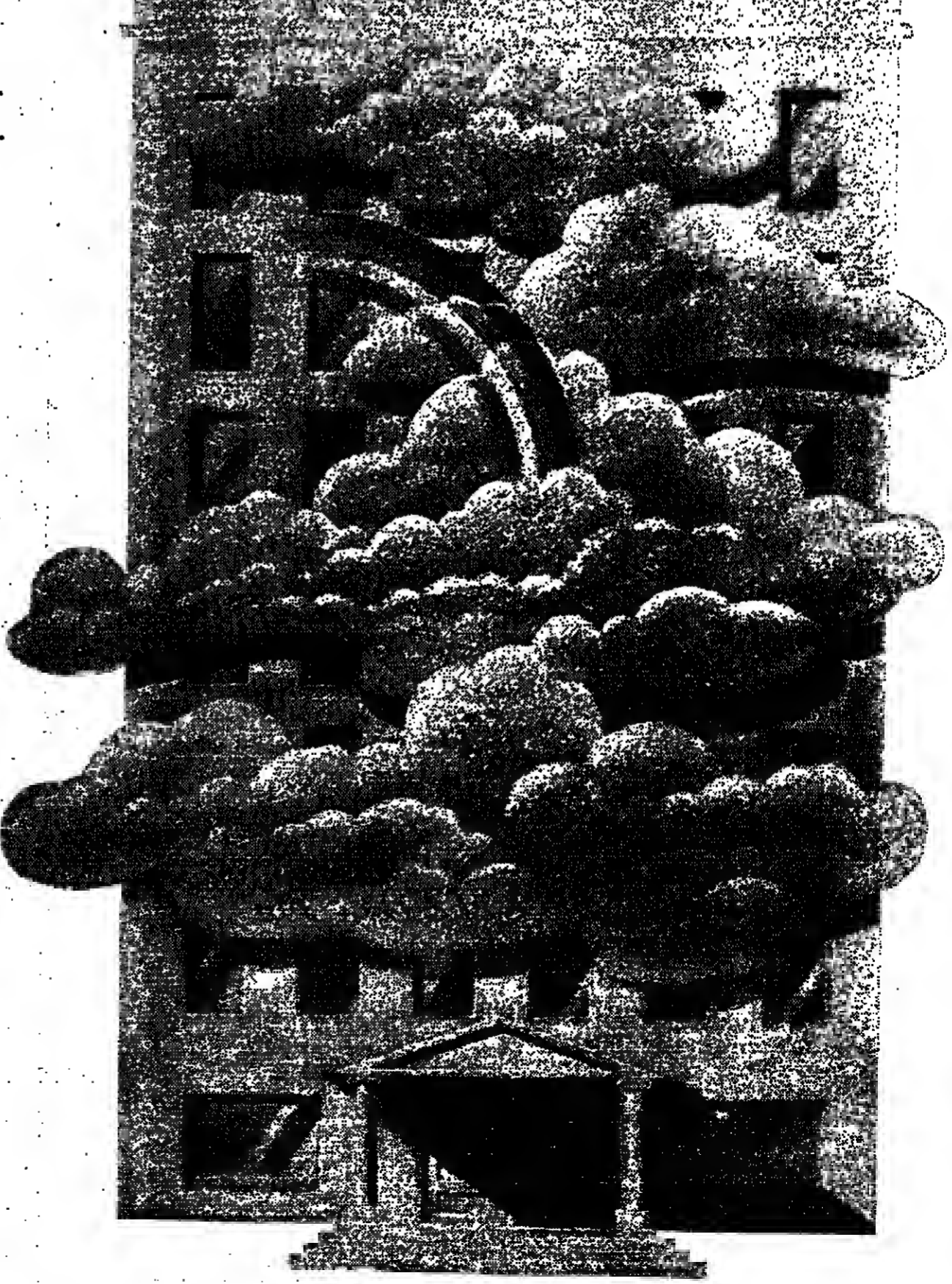
1. Tax-free trading on commodity futures. 2. The commodity futures market for the small investor.

CORAL INDEX: Close 485-490

INSURANCE BASE RATES table with 2 columns: Insurance Type, Rate. Rows include Property Growth (131%), Vanbrugh Guaranteed (121%).

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$PV_x \left(\frac{i}{1-(1+i)^{-n}} \right)$

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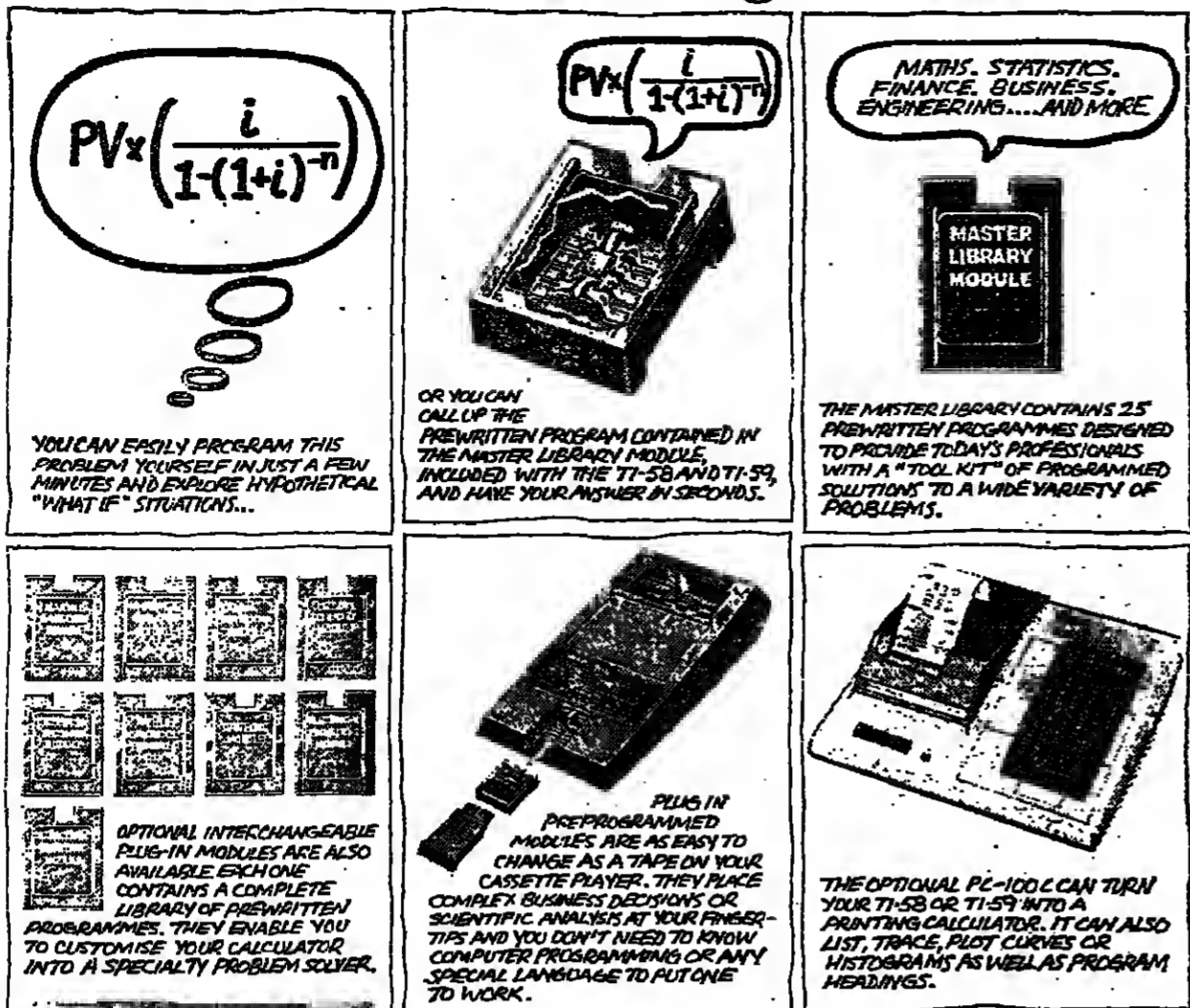
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MINING NEWS

GFSA gold profits at record level

BY PAUL CHEESERIGHT

WORKING PROFITS for the major gold producers in the Gold Fields of South Africa group reached record levels in the September quarter as the benefits of the strong bullion price continued to boost income.

The latest figures from the group's mines, published this morning, show that on average the mines were receiving about \$310 an ounce for their gold, compared with \$260 in the June quarter and \$240 in the March quarter.

Overall, net profits at the mines in the September quarter were R109.1m (189.3m), an increase of 21.5 per cent on the R89.8m earned in the previous quarter. Working profits were in fact 28.7 per cent higher, but a rise of 34 per cent in taxation and the state's share of the profits eroded the net level of earnings.

But it is likely that the September quarter earnings will be only a forerunner of even higher profits in the December quarter. With the time lag between the surge in international bullion prices and the receipt of a price for the mined gold, the producers will not so far have received much gain from recent market movements.

The bullion price passed through \$350 an ounce in mid-September, and despite sharp fluctuations, has not returned to that level.

The level of net profits at the individual mines was:

	Sept.	June	March
	'8900s	'8900s	'8900s
Doornfontein	6,754	5,401	4,000
East Rand	56,715	20,251	28,259
Kloof	20,447	16,818	14,026
Libson	6,550	5,285	4,284
Venterwest	2,010	1,851	1,182
Vatlamont	406	407	330
West Drifontein	36,951	29,442	27,144
† After receipt of State aid. † After state aid repayments.			

The most striking increase in profits was at Venterwest, where a rise of 142 per cent enabled the company to shrug off the necessity for state assistance. Although this rise reflects the recovery of operations after a fire in the June quarter, it also shows the effect of the higher bullion price on a marginal producer.

At the other end of the scale,

UM income increases

THE OUTLOOK for the rest of this year is leading Union Miners, the Belgian mining and investment group, in a prediction better results than in 1978 when net profits were BFr 479.8m (17.7m).

During the first half operating results were improved, owing to increased metal sales, and investment income was higher than in the comparable period of 1978, the group said yesterday.

This opens up the possibility of higher dividends, thus halting the slide in payments which started in 1975. An immediate beneficiary would be Tank Consolidated Investments, which holds 17.8 per cent of UM and last week announced reduced net income for the 1979 first half.

Production from the Thiery copper mine in Canada is continuing at a reduced rate, but an improved copper price and much higher revenue from previous metals "made it possible to cover an appreciable part of the normal amortisation," UM said.

The group's new electrolytic zinc plant at Clarksville in the U.S. has overcome the 1100-ppm problems encountered at the start of operations last November, but low zinc demand is still weighing heavily on the group.

UM's expansion plans in the U.S. have been checked by a decision to suspend all further work at the Oracle Ridge. The group is having talks with its partners about adapting a programme which was set up on the basis of what are now seen as false estimates of the size of the deposit.

Tanks Consolidated shares were unchanged yesterday at 180p.

More copper at Olympic Dam

FURTHER EXTENSIONS of the large Olympic Dam copper-uranium discovery in South Australia and further high-grade gold intersections at Central Norseman, south of Kalgoorlie, Western Australia, have been revealed by Western Mining Corporation in its latest quarterly report, writes James Forth from Sydney.

Only two intersections of mineralisation in holes RD 22 and RD 24, at Olympic Dam were mentioned in the September quarterly statement. The significance of the results is the distance apart of the holes, rather than the assays which are in line with previous results.

Hole RD 22 is 600 metres east of RD 20, while RD 24 is 1600 metres south of RD 20. This means that mineralisation has now been encountered over several miles in both north-south and east-west directions. It is understood that no major breaks in mineralisation have been located.

The report noted that British Petroleum's proposal, announced in July, to buy a 49 per cent stake in Olympic Dam has been agreed by the South Australian state Government, but still awaits approval from the Commonwealth Government.

Meanwhile Central Norseman, which is 50.5 per cent owned by WMC, has continued to find rich intersections at Mararoa Reef, south of its existing workings. Of the two holes reported, one intersected 0.5 metres yielding 58.1 grams of gold a tonne at a depth of 220 metres and the other 39.6 grams a tonne at a depth of 128 metres.

In its June report, Central Norseman reported a strike of 49.4 grams of gold over 2 metres and another of 11 grams over 1.75 metres. The high grade discoveries compare with the company's existing reserves of 445,000 tonnes, averaging 17.6 grams of gold a tonne.

In London yesterday WMC shares were unchanged at 167p.

Continuing good profits forecast at Braswary

The tube division of Braswary is performing extremely efficiently, having overcome the production problems of last year, said Mr. R. A. Swaley, chairman, at the annual meeting.

Subject to sales keeping pace with output, he added, this side of the business might well prove to be the group's front runner this year as far as profits were concerned.

Because of the success of the tube operation, the achievements of this year of the scrap processing division might be somewhat overshadowed, he said, but nevertheless that too should produce good profits and continue to do so indefinitely.

As already announced, profits for the year rose to £155,282 from £122,991 on turnover up from £7.7m to £12.5m.

HIGHER OUTPUT AT AYER HITAM

Thanks to increased output by Ayer Hitam, Aokam, Teluk, Southern Kinia and Southern Malayan, production of tin concentrates by members of the Malaysia Mining Corporation rose to 1,532 tonnes during September compared with the 1,659 tonnes produced in August.

After dipping to 116 tonnes in August output at Ayer Hitam improved to 198 tonnes, bringing the three months total to 515

Malaysia Mining Corporation

Company	Septr. Aug. July		
	tonnes	tonnes	tonnes
Aokam	187	140	136
Ayer Hitam	198	116	204
Beritong	331	327	296
Kamuning	50	47	51
Kramat	—	—	—
Kuala Kampur	20	22	33
Lower Pong	14	20	16
Malayan	280	327	336
S. Kinia Cons.	162	170	153
S. Malayan	192	126	165
Sungei Baki	166	129	189
Tonkoh Harb.	44	48	37
Tropoh Mines	193	187	184
Gopeng Group			
	Septr. Aug. July		
	tonnes	tonnes	tonnes
Gopeng	187	182	157
Tanjong	18	20	19
Idris	20	20	20
Panakajan	19	33	42

To manage international finance for a company as diversified as Brazil's CAEMI, a man must be both talented and tireless.

His banker must be the same.

In Brazil, CAEMI stands for Companhia Auxiliadora de Empresas de Mineração. In the rest of the world, it stands for a worldwide organization with financial interests in five major areas—mining and exploration, raw materials for the steel industry, chartering, general commodities, and food products.

In a company that is diverse and far-flung, Finance Director Vinicius Ferraz Machado must try to be everywhere at once attending the money needs of many subsidiaries in many currencies. Fortunately, he can turn for help to a man who can put him in touch with the world.

His banker, Bob Londono.

Londono operates out of Chemical Bank in New York, but with Chemical Bank's physical presence around the globe, he can help Machado everywhere CAEMI does business. In Brazil, Chemical Bank services CAEMI through its representative offices in Rio and São Paulo. In Europe, Chemical finances CAEMI's operations out of full-service branches in London and Brussels. And in New York, it assists with CAEMI's increasingly numerous joint ventures with major U.S. companies.

Considering its worldwide status and international activities, CAEMI is a company that requires considerable short- and medium-term financing. In addition to that financing, Machado will tell you that Londono gives him something else that's equally important. And that's a professional and personal relationship rare enough in any line of business.

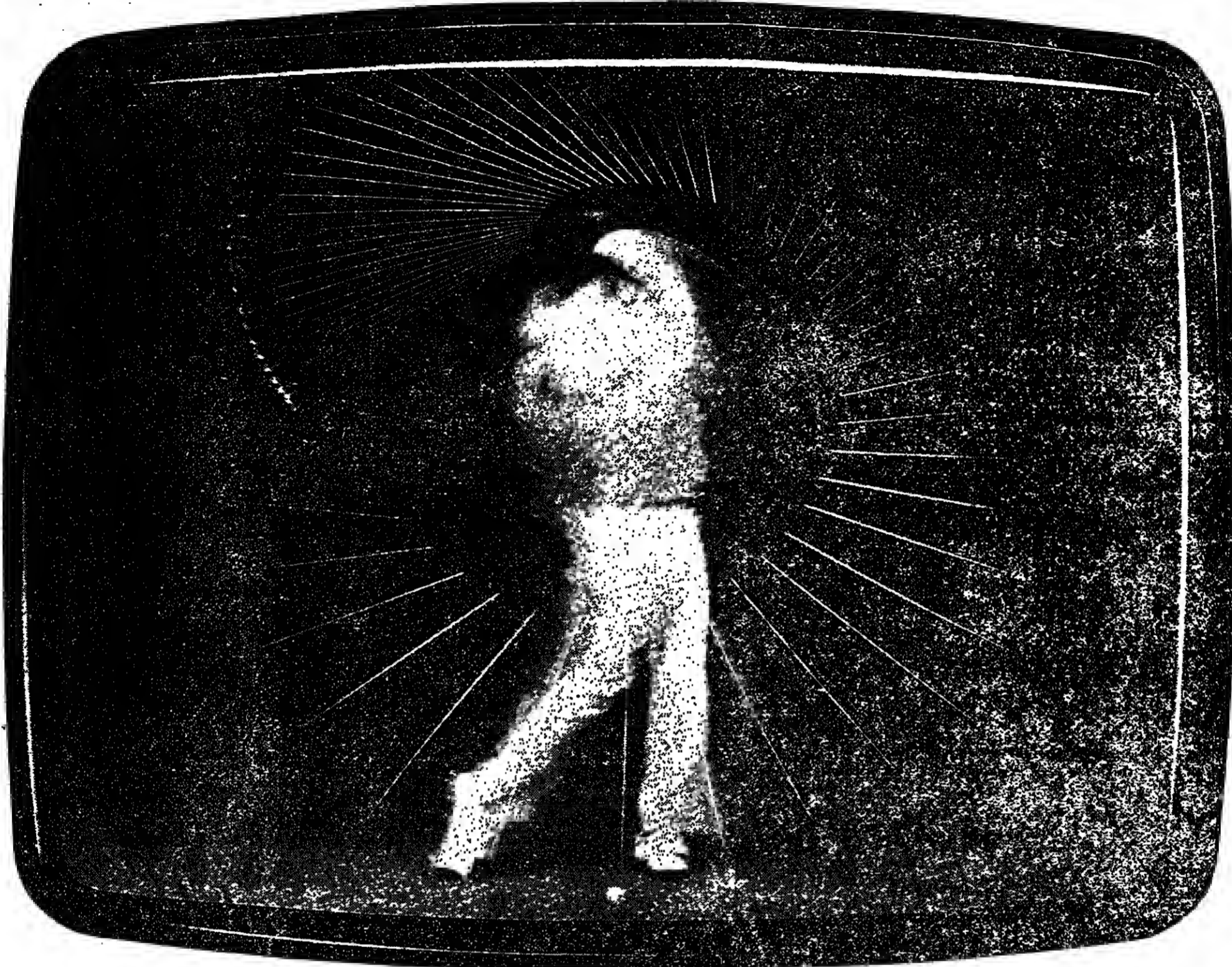
That's what usually happens when corporate officers get together with Chemical bankers. And what results is bottom line benefits for both the company and the bank.

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Naturally, this kind of precision calls for a very special recording system.

The Matsushita group's VHS, born of our unique experience in the audio/video field, is such a system. That's why VHS has been chosen by most of the big names in TV. Here in Europe and in the USA.

Panasonic is part of Matsushita Electric—Japan's biggest consumer electronics group. And Technics, whose direct-drive turntables and tape decks are legendary examples of hi-fi technology, is a sister company.

So it's no wonder the NV-8610 gives you a superb picture plus adequate recording time. That the video cylinder motor is quartz-locked and direct-drive. Or that the chassis is die-cast aluminium, instead of a flimsy stamping.

You can record off one channel while you watch another. Use the remote control to edit out commercials and "freeze" the pictures from across the room.

And the built-in clock/timer can be preset to make a tape up to a week after you've left home. So the big match will be ready waiting for you when you get back from your summer holiday.

There are connections for a mike and a tape deck. Letting you put live commentaries or music tapes onto the VHS cassette.

Add our portable video camera and family events like Christmases and birthdays will become a treasured part of your video cassette library.

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NV-8610

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International Institute of Science and Technology

Baume & Mercier advertisement featuring watches and the slogan 'Elegance in time...'

Hawtin Limited Interim Statement table showing financial results for the six months ended 31 July 1979.

Boustead Limited Overseas Traders Interim Report 1979 table showing financial results for 1979 and 1978.

Companies and Markets

S. Lyles nears £1m

A SECOND-HALF rise from £285,718 to £509,968 has lifted taxable profits of S. Lyles, carpet yarn spinner and dyer...

Financial summary table for S. Lyles showing turnover, profit, and other figures.

Production was at an all-time high and led to a record turnover of £12.9m against £9.9m...

Financial results table for S. Lyles showing operating results and financial results.

On behalf of the board: C. T. Fantom, D. J. Holliday, Directors

Venterspost Gold Mining Company Limited

Operating and financial results table for Venterspost Gold Mining Company Limited.

Vlakfontein Gold Mining Company Limited

Operating and financial results table for Vlakfontein Gold Mining Company Limited.

UK COMPANY NEWS

Richards (Leics.) slumps

ON TURNOVER little changed at £2.86m against £2.71m, pre-tax profits of Richards (Leicester) slumped from £24,000 to £28,000...

Chapman (Balham) A major bedroom change has taken place at Chapman and Co. (Balham), the envelope manufacturer...

Financial summary table for Richards (Leics.) showing turnover and profit.

well down at 1.6p (5.8p) per 25p share. The interim dividend is unchanged at 1.5p...

Delyn Loan Delyn has announced that contracts have been signed with the European Investment Bank...

Gold Fields Group

SEPTEMBER QUARTERLIES

All companies mentioned are incorporated in the Republic of South Africa

Doornfontein Gold Mining Company Limited operating and financial results.

West Breefontein Gold Mining Company Limited operating and financial results.

Venterspost Gold Mining Company Limited operating and financial results.

Libanon Gold Mining Company Limited operating and financial results.

Venterspost Gold Mining Company Limited operating and financial results.

Venterspost Gold Mining Company Limited operating and financial results.

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Deelkraal Gold Mining Company Limited operating and financial results.

East Breefontein Gold Mining Company Limited operating and financial results.

Venterspost Gold Mining Company Limited operating and financial results.

Venterspost Gold Mining Company Limited operating and financial results.

Venterspost Gold Mining Company Limited operating and financial results.

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U.S. EUROMARKET SQUEEZE

Banks worried and confused

BY JOHN EVANS

THE RE-IMPOSITION of marginal reserve requirements on the Eurodollar repatriation of U.S. banks...

both a Luxembourg and New York branch, will be able to advance a loan from its Euro-market operation...

Eurocurrency markets to assist in the role of recycling surplus oil funds to poorer countries...

of meeting the demands of their domestic customers. The reserve requirements on Eurodollar repatriation are set against a background of expanding borrowings...

There seems little doubt that in certain areas of lending, American banks have now been placed in a position of competitive disadvantage...

Some bankers hope that American corporate borrowers with extensive overseas operations may turn to the U.S. banks for foreign currency borrowing alternatives...

What also worries the U.S. banking community, however, is that the measures will prove to have a qualitative impact on such lending.

The alteration in borrowing from domestic sources to offshore is shown by recent Fed estimates between December 1978 and May, 1979...

Mr. Paul Volcker, the Fed chairman, has laid down, for the first time, that agencies and branches of foreign banks in the U.S. are subject to reserve requirements...

Some immediate expressions of concern that the new measures may jeopardise the ability of U.S. banks in the

commercial paper market could well be stimulated as a bigger source of non-bank funding, free of reserve requirements.

Uniroyal has shed more than 20 business units since 1974, representing about \$550m in sales.

But this still leaves a foreign bank, without direct U.S. representation, apparently free to lend dollars from the Euro-markets into the U.S. Some bankers are already worried that a foreign bank with, say,

to stem the amount of dollars in the domestic banking system, Mexico has complete freedom of exchange transactions.

From August 8, the Bank of Mexico ended its fixed peso interest rate policy and decided to float them weekly for periods of 30 to 90 days and 90 to 179 days.

But the "dollarisation" trend became more marked again this summer, particularly in August when dollars represented 17 per cent of total peso and dollar deposits as against 14.5 per cent in January.

Some immediate expressions of concern that the new measures may jeopardise the ability of U.S. banks in the

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Uniroyal forecasts \$10m third quarter loss

By Our Financial Staff

UNIROYAL, the fourth largest tyre and rubber producer in the U.S., expects to post a \$10m loss for the third quarter, and also a deficit for the year.

Uniroyal attributed the third quarter deficit to pricing problems in the U.S. replacement tyre business, lower demand for tyres due to a slowdown in new car sales, and a strike at its Mexican tyre plants.

The company said that it expected an "improvement" in the fourth quarter but that the second and third quarter losses would result in a year-end operating loss.

Uniroyal has shed more than 20 business units since 1974, representing about \$550m in sales.

But the "dollarisation" trend became more marked again this summer, particularly in August when dollars represented 17 per cent of total peso and dollar deposits as against 14.5 per cent in January.

FLIGHT INTO DOLLAR

Mexico plugs the gap between interest rates

BY WILLIAM CHISLETT IN MEXICO CITY

FOR THE past two months, Mexican banks have been operating under a new and more flexible system of peso interest rates fixed by the Bank of Mexico...

are becoming less competitive. External factors are the basic reasons behind the Central Bank's decision to end its decades-long policy of fixed interest rates for peso deposits.

The "dollarisation" trend reached its peak in 1976 after the 80 per cent devaluation of the peso which produced a capital flight of an estimated \$4.5bn.

Interest rates have been rising in the U.S., which has meant that interest rates on dollar deposits in Mexico have also risen—dollar rates are fixed by Labor and so the gap between peso and dollar rates before the policy change in Mexico was widening.

The process has declined considerably over the past two years as the Government, bolstered by the country's immense oil reserves, has restored confidence by implementing an austerity programme which included a restructuring of interest rates to make peso rates more attractive.

The Government had placed particular emphasis on reducing the margin between peso and dollar interest rates, making the former more attractive in order

to stem the amount of dollars in the domestic banking system, Mexico has complete freedom of exchange transactions.

When this is compared with the rates in the same period for six month deposits in the U.S. it can be seen that Mexico's rates are increasing more sharply.

From August 8, the Bank of Mexico ended its fixed peso interest rate policy and decided to float them weekly for periods of 30 to 90 days and 90 to 179 days.

In the first six months of this year peso liabilities of the private and mixed banks increased by 637,112 pesos as against \$456,200 pesos in the same 1978 period.

But the "dollarisation" trend became more marked again this summer, particularly in August when dollars represented 17 per cent of total peso and dollar deposits as against 14.5 per cent in January.

In the same period, dollar liabilities rose by \$5m as against \$3.6bn in the 1978 first half. The Central Bank is now hoping that the second half of the year will see a greater increase in peso liabilities.

Uniroyal has shed more than 20 business units since 1974, representing about \$550m in sales.

When this is compared with the rates in the same period for six month deposits in the U.S. it can be seen that Mexico's rates are increasing more sharply.

Winn-Dixie moves ahead

By Our Financial Staff

EARNINGS FOR the first quarter of this year are 2.5 per cent up at \$20.2m at Winn-Dixie Stores, the U.S. operator of nearly 1,200 food markets in Florida and the Southern States.

Dollar Eurobond prices fall

BY FRANCIS GHILES

STRAIGHT DOLLAR bond prices were marked down sharply yesterday in the wake of the measures announced in Washington over the weekend.

reaching 14 1/2 per cent and six-month rates 14 1/2 per cent yesterday, the yield gap is still too great to tempt investors back into the market.

Municipal Financial Authority of British Columbia while Citicorp had announced a three-year issue for Development Finance Corporation of New Zealand.

Dealers sought to avoid adding to their positions while some U.S. commercial banks were believed to have cut their inventories by significant amounts.

Chemical Bank decided to widen the spread in price for the bonds it trades. Some banks had already resorted to this measure but only on individual bonds they trade, and usually older dated issues.

Even after yesterday's falls, longer dated bonds only yield around 13 per cent. With three-month dollar rates

But negotiations broke down. M. Parizeau said. Speaking in Quebec City, he said that GD's reaction to the Government's CS42 offer, "was totally without merit and meant that negotiations are now at an end."

Quebec sees win at year-end over Asbestos

By Robert Gibbins in Montreal

M. JACQUES PARIZEAU, the Quebec Finance Minister, claims that the Provincial Government will be in control of Asbestos Corporation by the year-end, through use of expropriation powers passed by the National Assembly last summer.

But negotiations broke down. M. Parizeau said. Speaking in Quebec City, he said that GD's reaction to the Government's CS42 offer, "was totally without merit and meant that negotiations are now at an end."

Steady growth at Dow Jones

By Our Financial Staff

DOW JONES, publisher of the Wall Street Journal, as well as of Barron's and a chain of 19 local newspapers, announced increases of around one fifth in both sales and net earnings in the third quarter of this year.

Net earnings for the quarter rose by 21 per cent to \$13.7m, or from 70 cents to 83 cents a share, on sales 19.4 per cent higher at \$112.3m.

Uniroyal has shed more than 20 business units since 1974, representing about \$550m in sales.

When this is compared with the rates in the same period for six month deposits in the U.S. it can be seen that Mexico's rates are increasing more sharply.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Table with columns: U.S. DOLLAR, Issued, Bid, Offer, Day, Week, Yield. Lists various international bonds like Alcoa Australia, Anglo American, etc.

Table with columns: OTHER STRAIGHTS, Issued, Bid, Offer, Day, Week, Yield. Lists various straight bonds like Norddeutsche, Anglo American, etc.

Table with columns: FLOATING RATE, Spread, Bid, Offer, Day, Week, Yield. Lists floating rate bonds like Banco de Mexico, etc.

Table with columns: STRAIGHTS, Issued, Bid, Offer, Day, Week, Yield. Lists various straight bonds like Argentina, etc.

Table with columns: STRAIGHTS, Issued, Bid, Offer, Day, Week, Yield. Lists various straight bonds like Argentina, etc.

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Table with columns: STRAIGHTS, Issued, Bid, Offer, Day, Week, Yield. Lists various straight bonds like Argentina, etc.

PETROPERU advertisement featuring the logo, company name, and a list of international banks providing services in Peru.

City Investing

City Investing Company will lose about \$16m on insurance underwriting in 1979. This figure was incorrectly given as \$1.6m on Saturday as a result of an agency error.

THE PHILIPPINE INVESTMENT COMPANY S.A.

Net Asset Value as of July 31, 1979 U.S.\$12.35

THE PHILIPPINE INVESTMENT COMPANY S.A.

Net Asset Value as of August 31, 1979 U.S.\$12.05

BRAZILIAN INVESTMENTS S.A.

Net Asset Value as of 28th September, 1979 U.S.\$10.46

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Companies and Markets INTL. COMPANIES and FINANCE

Compagnie Bancaire well ahead in first six months

BY DAVID WHITE IN PARIS

COMPAGNIE BANCAIRE, the French specialist credit institution, has announced consolidated net profit of FF 178m (€22.5m) for the first half of the year...

Roussel buys 80% shareholding in SAMP

By Our Paris Staff

ROUSSEL-UCIAR, the French pharmaceutical concern, has expanded its range of activity by taking over one of the country's leading makers of sunglasses...

Dutch building group cautious

BY CHARLES BATCHELOR IN AMSTERDAM

BALLAST-NEDAM, the Dutch construction group, has forecast a sharp rise in turnover in the current year, but was cautious in predicting profit levels...

Koc seeks oil venture partner

BY METIN MUNIR IN ANKARA

THE KOC group of Istanbul, Turkey's biggest private industry conglomerate, is looking for a suitable American partner which would provide technology and capital for joint oil exploration in Turkey...

Landis and Gyr forecasts improvement

BY JOHN WICKS IN ZURICH

GROUP PROFITS at Landis and Gyr, the Swiss-based electrical engineering concern, are expected to have improved by some 15 per cent in the year to September 30 compared with the SWFr 48m (\$30.4m) achieved in 1977-78...

ing in property, showed profits of FF 124m and FF 17m respectively. The bank said that all members of the group had maintained a high level of activity in the third quarter...

THE DUTCH pharmaceutical concern ACF Holdings turned in sharply lower profits for the first half of the current financial year...

NORSE JERNVERK, Norway's state iron and steel concern, is seeking Ministry of Industry approval for planned investments amounting to Nkr 1,068m (€212m) over the period 1980-1984...

Norwegian steel group to spend Nkr1bn

By Fay Gjester in Oslo

NORSE JERNVERK, Norway's state iron and steel concern, is seeking Ministry of Industry approval for planned investments amounting to Nkr 1,068m (€212m) over the period 1980-1984...

Eurocan to reorganise

By Lance Keyworth in Helsinki

EUROCAN Pulp and Paper Company, the Finnish venture in Kitimat, British Columbia, is to take a Canadian partner in a reorganisation of ownership...

Domestic bond from NMB

NEDERLANDSCHE Middestandsbank plans to borrow between Fl 150m and Fl 200m (€103m) on the Amsterdam capital market...

Germany to test market

BY OUR FINANCIAL STAFF

A NEW BOND issue by the West German government is due to be unveiled this morning following a meeting of the Federal Loan Consortium...

SUDAN DEBT

Major loan sought from Western banks

BY JAMES BUXTON

SUDAN HAS ASKED western banks for a big refinancing loan on concessionary terms to pay off its overdue commercial foreign debt...

from outside sources had helped the new system to get under way, he said. Imports were now being financed out of remittances, he said. The aim of the new system is to give our creditors the confidence that we will be able to honour any rescheduling...

Bertelsmann AG has acquired, for its Ariola International Group, the Arista Records Group from Columbia Pictures Industries, Inc.

Our Financial Services Department initiated this transaction and acted as financial advisor to Bertelsmann AG.

Morgan Guaranty Trust Company of New York

The Mitsui Trust and Banking Co., Limited Negotiable Floating Rate U.S. Dollar Certificates of Deposit Maturity date 6th October 1980



In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the six month interest period from 9 October 1979 to 8 April 1980 the Certificates will carry an interest rate of 13 1/2% per annum.

Agent Bank The Chase Manhattan Bank, N.A., London

TRENWICK LTD. (Bermuda)

TRENWICK REINSURANCE COMPANY LTD. Bermuda

TRENWICK INCORPORATED Delaware

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BRAZIL The outlook for the 1980's

RIODE JANEIRO-OCTOBER 17, 18 & 19 1979

H.E. Professor Antonio Delfim Netto, Minister of Planning, Brazil, will give the keynote address at this international conference to be arranged by the Financial Times with Varig Brazilian Airlines and Jornal do Brasil.

To be held in Rio de Janeiro on 17, 18 & 19 October 1979, the conference will provide an opportunity to hear expositions of government policy, assessments of developments and opportunities in Brazil as well as the implications of the energy problem.

The distinguished panel of speakers will include:-

- H.E. Vice President Aureliano Chaves, Deputy Managing Director, Tate & Lyle Engineering Limited
H.E. Ambassador Ramiro Saraiva Guerreiro, Minister for External Relations, Brazil
Mr. Joseph Sanchez, President, General Motors do Brasil
Dr. M.C. Bennett, Deputy Managing Director, Tate & Lyle Engineering Limited
Dr. K. Richebacher, General Manager, Dresdner Bank AG
H.E. Minister Karlos Rischbieter, Minister of Finance, Brazil

For full details of the conference programme please complete and return the coupon below.

BRAZIL - THE OUTLOOK FOR THE 1980's

To: The Financial Times Limited, Conference Organisation, Bracken House, 10 Cannon Street, London, EC4P 4BY. Tel: 01-236 4382. Telex: 27847 FTCONF G

Please send me further details of Brazil - The Outlook for the 1980's

Name (BLOCK CAPITALS PLEASE) Title
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Address
Tel:

A FINANCIAL TIMES CONFERENCE

Bank of Tokyo in talks on ties with Mitsubishi Trust

BY RICHARD C. HANSON IN TOKYO

TWO OF Japan's largest commercial banks are discussing a business tie-up which opens the prospect of a major change in the organisation of the Japanese banking community.

The Bank of Tokyo, the country's only foreign exchange specialist, and the leading international banker, is talking with Mitsubishi Trust and Banking Corporation about the transfer to Mitsubishi of two outlying branches. Mitsubishi, which is the largest of Japan's trust banks, would acquire BOT's

Nagasaki, Kyushu and Shimizu central Japan branches, complete with assets, employees and related facilities and business.

Details of such a move have not been completed. A target date of March 1, has tentatively been set, however, according to Japanese Press reports.

For the Bank of Tokyo, such a transfer would improve the efficiency of domestic operations. At the end of the last accounting period, BOT had 35 domestic branches compared

with 41 branches abroad and a network of other international ventures. Mitsubishi Trust has been moving aggressively into international lending in recent years, but has only two branches overseas.

The two banks have enjoyed close relations for many years. The significance of a deepening of that relationship is in part that it would involve the first tie-up between one of the major City banks and a trust bank. The Bank of Tokyo has found itself challenged by the other large City banks which are also expanding overseas networks rapidly.

Meanwhile, the trust banks have found it necessary to expand from their traditional role as sources of long-term investment capital for private enterprise, demand for which has become sluggish over the past decade. Presumably, Mitsubishi Trust would benefit from BOT's long experience inter-

National bond yield up

TOKYO — The Japanese Finance Ministry has issued Y235.9bn of three-year National bonds through public auction. The 7 per cent bonds were priced at an average of Y99.01, to yield 7.390 per cent, with the lowest accepted price Y98.75, yielding 7.497 per cent.

The Ministry floated Y166.2bn of three-year seven per cent bonds in August at an average price of Y98.27, and yield of 7.297 per cent.

The ministry said that 42 Japanese banks and securities firms bid for a total of Y465.3bn

against the Ministry's offer of Y300bn. It accepted bids for only Y235.9bn because other offers were too low.

Local securities sources pointed out that the average yield of 7.390 per cent for the newly-issued three-year bonds exceeded the yield at issue of 7.3 per cent for five-year bank debentures.

This, it is felt, may disrupt the present long-term interest rate structure in Japan, which has hitherto been maintained under rigid control and guidance.

Reuter

ISRAELI RESULTS

Solel-Boneh ahead

BY L. DANIEL IN TEL AVIV

SOLEL-BONEH, Israel's largest construction company, owned by the Federation of Labour, raised its net profits by 55 per cent to I\$470.2m (\$16.1m) in the first half of 1979, from the level for same period last year.

A pre-tax profit of I\$606m was made on turnover of I\$3.9bn (\$133m).

approved by the next general meeting. In calendar 1978, Clal paid two cash dividends of 6 per cent each and 40 per cent of bonus shares.

* * *

CLAL, Israel's largest investment company, has reported an increase of 280 per cent in net profits after tax to I\$389m (\$13.4m) in the year to June 30. Over 50 per cent of overall profits came from industrial activities.

Group income rose by 75 per cent during the year and exports of the various concerns in the Clal group rose sharply to I\$665m from I\$268m. This represented a gain of 80 per cent in real terms, the company points out.

Clal's total assets at June 30 1979, stood at I\$1.1bn. The balance sheet covers the activities of some 130 companies. There are three main divisions, the shares of which are registered on the Tel Aviv stock exchange — Clal Industries, Azorim (Construction) and Clal Trade. Clal has already announced an interim cash dividend of 6 per cent with a 20 per cent bonus share distribution to be

* * *

KOOR — The industrial holding company of the Israel Labour Federation, which comprises over 100 factories—reports that its net profit in the first-half of 1979 increased by 50 per cent as compared with the same period last year, to I\$316m (\$11m).

Pre-tax profit, however, dropped to 5 per cent of turnover, from 6.5 per cent because of the rise in financing costs which absorbed a sum equivalent to over 15 per cent of turnover, against 14 per cent a year earlier.

* * *

POLGAT — Israel's largest textile combine, enterprises of which range from a woollens plant through knitting mills to factories making men's suits—reports that its net profit grew from I\$30m in the first half of 1978 to I\$77m (\$2.7m) in the first six months this year.

The nominal increase of 156 per cent represented a gain, adjusted for inflation, of about 100 per cent. The company expects the favourable trend to continue in the second half.

Grace Brothers bids for control of J. B. Young

GRACE BROTHERS Holdings, the Australian department store group, is bidding for control of its fellow retailer, J. B. Young Holdings, reports Reuter from Sydney. The bid values Young at about A\$35m (U.S.\$63m). Grace already has about 20 per cent of Young's issued capital of 16.31m ordinary shares.

The offer is of one Grace share plus A\$2.60 for every Young's share, or cash of A\$4.40 for two Young's shares.

Grace Brothers stock was trading here ahead of the announcement at A\$1.98 and that of J. B. Young at A\$1.57. Grace Brothers has also offered 50 cents for each of Young's 573,000 preference shares.

The J. B. Young stores, located throughout New South Wales and Victoria country towns, Grace said, would provide access to a wider market. It added that it did not foresee any difficulty in maintaining the annual dividend rate of 11 cents now being paid by both companies.

Our financial staff adds: Grace last month announced a rise in earnings of almost 11 per cent to A\$13.8m (U.S. \$15.6m) in the year to July 23, on a sales gain of 8.4 per cent to A\$450m (U.S.\$50.8m). The dividend was increased from 19 cents to 11 cents.

Early hopes of buoyancy in the current six months, however, were said by the company to have been "seriously affected" by the Government's mini-Budget in May.

SINGAPORE NEWS

Chia shares for Malayan Credit

BY GEORGIE LEE IN SINGAPORE

MALAYAN CREDIT, the property company, has agreed to acquire 5.93m shares in one of its major shareholders, Jack Chia-MPH (JC-MPH) for some S\$9.2m (US\$4.5m). The shares will given Malayan Credit a 15.2 per cent stake in the issued capital of the JC-MPH group, which at the moment owns 19.7 per cent of Malayan Credit's issued capital.

The offer of the shares was made by Jack Chia International

of Hong Kong (4m shares), Apollo Finance and Investment of Hong Kong (1.43m) and Singapore Japan Merchant Bank (500,000) at an average price of around S\$1.55 per share. Apollo Finance and Investment is a subsidiary of Jack Chia International of Hong Kong.

Acquisition of the shares from Jack Chia International and Apollo is subject to the approval of Malayan Credit shareholders, as well as to a waiver being granted by the Securities Industry Council from the requirement of making a general offer to the remaining stockholders of JC-MPH should Malayan Credit acquire more shares to bring its stake in JC-MPH to 30 per cent. Share-

holders are to be asked to authorise the purchase of a further 1.87m shares in JC-MPH to bring its stake to 7.8m shares or 20 per cent of JC-MPH capital.

Malayan Credit said that the purchase would be financed by proceeds from its recent sale of Malayan Credit House and bank loans. Malayan Credit House was sold to United Overseas Bank for S\$15m.

For the year to March, JC-MPH reported net attributable profit of S\$5.23m. Malayan Credit said that had it owned 20 per cent of JC-MPH, the net profit attributable to it would have been S\$1.05m before financial expenses.

Profits boost for brewery group

BY OUR SINGAPORE CORRESPONDENT

MALAYAN BREWERIES, the largest brewery group in Singapore and Malaysia, has reported a 10 per cent improvement in group post tax profit to S\$20.1m (U.S.\$9.4m) for the year to 31 June. Turnover rose by 8.6 per cent to S\$320.1m (U.S.\$150m) while the tax charge went up by 13.7 per cent to S\$14.1m.

The group has declared a second interim gross dividend of 20 per cent on both its ordinary and management shares. No final dividend will be paid

SASOL ISSUE

Looking abroad

THE SOUTH AFRICAN Reserve Bank has used the current Sasol R35m (\$42m) public issue to break new ground, on lines recommended by the De Kock Commission in

JIM JONES, in Johannesburg, looks at the way the South African Reserve Bank has moved to attract foreign investment in the R35m public issue by Sasol, the state oil-from-coal concern

expected to be at least 10 times oversubscribed. That would have had the effect of artificially boosting the financial rand rate ahead of allocation, to be followed by an artificial depression as unsuccessful applicants liquidated their financial rand holdings.

To overcome this, the Reserve Bank is allowing local commercial banks to extend overdraft facilities to foreigners with the provision that refund cheques to unsuccessful applicants be applied to repaying the overdrafts within 14 days of share allocations being made.

Also successful foreign applicants have 30 days from the time allocations are known to create sufficient financial rand to pay for their allocations.

Non-residents with blocked rand accounts, which normally cannot be used for investment other than in prescribed securities, may also use blocked rand to apply for Sasol shares. This again sets a precedent, insofar as it allows non-residents to make more active use of previously restricted blocked rand balances.

January, aimed at enhancing the country's attractions to foreign investors.

For the first time, foreign investors are being allowed to make use of the financial rand (South Africa's investment currency which is currently quoted at one financial rand equal to U.S. 87 cents compared with the commercial rate of R1 to \$1.20) to apply for the new Sasol shares.

This move might have run into problems if foreigners had been obliged to create sufficient financial rand to cover their applications, especially as the R35m public issue is widely

corrected to be at least 10 times oversubscribed. That would have had the effect of artificially boosting the financial rand rate ahead of allocation, to be followed by an artificial depression as unsuccessful applicants liquidated their financial rand holdings.

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CORRECTION—NOTICE OF REDEMPTION
PRIVREDNA BANKA SARAJEVO 9 1/2% DUE 1982

CORRECTIONS

(1) Please read after 2136—2160 and not 2100
(2) Please read after 3975—3979 number misprinted
(3) Please read after 3937—3938 and out 3838
(4) Please disregard 4986 after 4984 as appeared twice



GENOSSENSCHAFTLICHE ZENTRALBANK AKTIENGESELLSCHAFT
Vienna

U.S. \$40,000,000 Floating Rate Notes Due 1983
For the six months
9th October, 1979 to 9th April, 1980
the Notes will carry an interest rate of 13 1/2 per cent per annum.

Listed on the Luxembourg Stock Exchange.
By: Morgan Guaranty Trust Company of New York, London Agent Bank

This announcement appears as a matter of record only.

PRINOS OIL FIELD
and
SOUTH KAVALA GAS FIELD
Greece

US \$245,000,000

Project Financing
on behalf of

Denison Mines Limited	Fluor Corporation
Wintershall Aktiengesellschaft	White Shield Greece Oil Corporation (a subsidiary of Basic Resources Corporation)

Lead-managed by

CANADIAN IMPERIAL BANK OF COMMERCE
in association with
National Investment Bank for Industrial Development S.A.
Athens, Greece

Managed by

Citicorp International Group	Westfalenbank Aktiengesellschaft
Banque Nationale de Paris	Swiss Bank Corporation


Co-managed by

International Energy Bank Limited	The Royal Bank of Canada	Texas Commerce Bank
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Canadian Imperial Bank of Commerce	Citibank, N.A.	Westfalenbank Aktiengesellschaft
Swiss Bank Corporation (International) Ltd.	Banque Nationale de Paris	Manufacturers Hanover Bank (Guernsey) Limited
Bank of Montreal	Banque de la Societe Financiere Europeenne	International Energy Bank Limited
The Royal Bank of Canada	National Investment Bank for Industrial Development S.A.	BT Asia Limited
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مركز المنهج

CURRENCIES, MONEY and GOLD

Dollar firm

Initial reaction to last week's U.S. anti-inflation package pushed the dollar firmer against most currencies...

While there was no perceptible intervention by major central banks the dollar was pushed even firmer during the latter part of the day...

THE DOLLAR SPOT AND FORWARD

Table with columns: Country, Day's spread, Close, One month, Three months, Six months. Includes UK, Ireland, Canada, etc.

THE POUND SPOT AND FORWARD

Table with columns: Country, Day's spread, Close, One month, Three months, Six months. Includes UK, Ireland, etc.

CURRENCY RATES CURRENCY MOVEMENTS

Table showing currency rates and movements for various countries like Sterling, Canadian dollar, etc.

OTHER MARKETS

Table listing other market data including Argentina, Australia, Brazil, etc.

WORLD VALUE OF THE POUND

The table below gives the latest available rates of exchange for the pound against various currencies...

Large table showing world value of the pound with columns for Place and Local Unit, Value of £ Sterling, and Value of P Sterling.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European currency unit rates for various countries.

EXCHANGE CROSS RATES

Table showing exchange cross rates for various currencies.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various currencies.

INTERNATIONAL MONEY MARKET

European short-term interest rates were generally firm yesterday following the latest measures by the U.S. Federal Reserve...

INTERNATIONAL MONEY MARKET

European rates firm

European short-term interest rates were generally firm yesterday following the latest measures by the U.S. Federal Reserve...

GOLD

Weaker tendency

Gold fell \$13 an ounce in the bullion market yesterday as the dollar rose...

UK MONEY MARKET

Small help

Bank of England minimum lending rate 14 per cent (since June 12 1979)...

UK MONEY MARKET

Small help

Day-to-day credit was in short supply and the authorities gave a small amount of assistance...

LONDON MONEY RATES

Table showing London money rates for various currencies and terms.

LONDON MONEY RATES

Table showing London money rates for various currencies and terms.

*That part of the French community in Africa formerly French West Africa or French Equatorial Africa...

POSTIPANKKI announces with pleasure that it has opened a REPRESENTATIVE OFFICE in London at 4-6 Cophall Avenue EC2R 7DA...

COMMODITIES AND AGRICULTURE

Companies and Markets

Wool trade expected to stay strong

WELLINGTON — Demand from both traditional and developing wool markets is expected to continue into the second half of the season and the indications are that the strong demand for wool will carry into 1980, Mr. John Clarke, New Zealand Wool Board chairman said here.

Supply 'squeeze' lifts tin price

BY JOHN EDWARDS, COMMODITIES EDITOR

TIN PRICES rose strongly on the London Metal Exchange yesterday as the shortage of supplies immediately available to the market worsened. Standard grade cash tin gained £180 to £7,530 a tonne, while high-grade cash tin rose by £210 to £7,550.

In lead stocks held in LME warehouses pushed up values higher, especially in early trading. Stocks fell by 2,175 to 24,300 tonnes.

Fresh rise in sugar market

By Our Commodities Staff

WORLD SUGAR values surged on the London futures market yesterday afternoon. From Friday's closing at \$14.65 a tonne, the March contract climbed steeply to touch \$150 before easing off to end the day at \$147.40, up £2.35. The daily prices were fixed \$6 higher at \$131 a tonne.

INTERNATIONAL AGREEMENTS

Rubber pact welcomed

BY WONG SULONG IN KUALA LUMPUR

On the location of the headquarters for the rubber agreement, he said "virtually all producing countries" had indicated their support for Kuala Lumpur, while "many consuming countries, such as Japan, China, the Soviet Union, and Australia" had also given their endorsement.

Our Commodities Staff writes: There was little reaction on the rubber futures market to the agreement, since it is unlikely to have any effect on prices for some time.

consumer vote). And to avoid a situation in which some people with votes have paid their contributions, while others have not, only management expenses, which the U.S. can afford without the say-so of Congress, are contributed at this stage.

Brazil plans whaling ban

BRAZIL will ban whaling in its territorial waters from January 1, 1981. Sr. Jose Paulo do Rio Branco, Brazilian special representative in London, told the International Society for the Protection of Animals: "On that date, permission will be cancelled for the operation of whaling ships and the concession for financing the land station withdrawn."

UK farmers warned of 'grim future'

BY CHRISTOPHER PARKES

BRITISH FARMERS face a "pretty grim future", Mr. David Lewis, chief agricultural officer of ICI, warned yesterday. They would have to increase production and reduce costs if they are to keep going, he said.

the same problems and must tackle them in the same way. That was to increase output and reduce costs.

Oil shortage threat to Ghana cocoa

By Our Commodities Staff

THE FORTHCOMING 1979/80 cocoa season, starting in Ghana on Friday, could be one of the most difficult in the history of the industry, according to Kwame Planim, chief executive of the country's cocoa affairs.

Mansholt changes mind on CAP reform

BY CHRISTOPHER PARKES

DR. SICCO MANSHOLT, father of the Common Agricultural Policy and one-time bane of Europe's peasantry, has changed his mind on the philosophy which underpinned his plans for reform of the EEC's farming industry.

ing the land. This would only swell the army of unemployed." The explanation of his volte-face comes in a lengthy interview published by the Soil Association, the conservationist group.

His vision won him many admirers—and many enemies. In 1971, Herr Josef Ertl, the West German Agriculture Minister, dubbed him "Mansholt, the peasant killer."

"If three farms of 15 hectares each are upgraded into one farm of 45 hectares, two families are out of work," Dr. Mansholt argued.

BRITISH COMMODITY MARKETS

BASE METALS

Table with columns for metal type, price, and change. Includes Copper, Zinc, Lead, Tin, and Aluminium.

Table with columns for metal type, price, and change. Includes Tin, Zinc, Lead, and Aluminium.

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COFFEES

Table with columns for coffee type, price, and change. Includes Robusta and Arabica.

PRICE CHANGES

Table with columns for commodity, price, and change. Includes various oils and grains.

SUGAR

Table with columns for sugar type, price, and change. Includes London Daily Price and Sugar.

AMERICAN MARKETS

Table with columns for commodity, price, and change. Includes Live Cattle, Hogs, and Poultry.

EUROPEAN MARKETS

Table with columns for commodity, price, and change. Includes Wheat, Barley, and Rye.

Instant Coffee and other Commodity Prices on the 'electronic newspaper' from Pye.

News as it happens, plus FT Index, foreign exchange prices, travel news, weather forecasts, leisure and much much more.

Commodity Prices. Metal and soft commodities updated twice daily.

Table with columns for metal type, price, and change. Includes Tin, Zinc, Lead, and Aluminium.

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LONDON STOCK EXCHANGE

Gilts fall as hopes of MLR reduction recede further but equities respond to revived institutional demand

Account Dealing Dates
Option
*First Declara- Last Account
Dealings tions Dealings Day
Sep. 24 Oct. 4 Oct. 5 Oct. 15

Fresh investment funds flowed into leading equities at the start of the new trading Account yesterday and transformed an opening bout of indecision caused by a weekend Press caution about economic and monetary prospects.

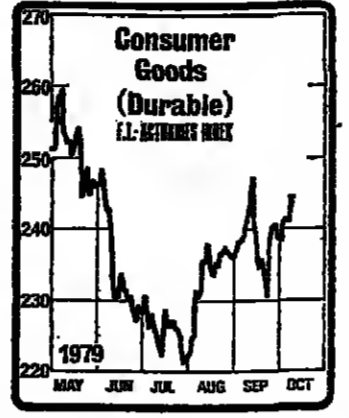
obtain yesterday and selected leaders, including some core-tients of the FT 30-share index, made gains extending to 9p in the case of ICI, at 374p. The index recognised this and from being 1.0 easier at 10 am went ahead to close at the day's best with a rise of 6.4 to 486.8 for a gain of 20 points in the last five trading sessions.

balance. Oils were busy again as North Sea enthusiasm revived, but in selected issues the often substantial demand was well met. The strength of the dollar and resulting lower pound took rates for investment currency higher. The upturn was fuelled by renewed institutional buying and the premiums closed four points up at the day's highest of 35 1/2 per cent. Yesterday's SE conversion factor was 0.9045 (0.9065).

comment, while A. Henriques spurred 9 to 37p on Friday's bumper first-half profits. Fur-minister advanced 10 1/2 to 148 1/2 and Wallis Fashion put on 4 to 60p, while Lee Cooper again met buying in a restricted market and ended 16 better at 270p. Store leaders traded quietly awaiting statements this week from Debenhams and Marks and Spencer. The former eased 3 to 80p, but the latter firmed slightly to 107p. Combined English Stores, a dull market on Friday following the poor inter-annual profits, found support at the lower level and added 4 to 49p. In Shoes, Stylo continued

Speculative counters attracted a fair amount of buyers with William Low advancing 13 to 133p and Hilliards 7 1/2 to 197p. At the request of the company, dealings in Ladbroke were suspended at 196p pending details of the proposed restructuring of the group's casino divisions which were released after the market's official close. Trading in the shares is expected to resume at 9.30 am today.

rise again helped those News-paper issues with North Sea oil interests. Associated jumped 13 to 265p, while International Thomson rose 11 to 414p. Buyers came in for regional issues, East Midland Allied Press rising 4 to 70p and Hamlyn Curran adding 3 to 115p. BPC rose 4 1/2 to 34p since the disappointing first-half results were announced nearly two weeks ago.



LONDON TRADED OPTIONS table with columns for Option, Ex'rate, Closing offer, Vol., etc.

to be bolstered by bid speculation and rose 8 to 25p. Electricals were featured by a late jump of 50 to 173p in Campbell and Isherwood on the announcement of the bid of 175p cash from BTR. Among the leaders, EMI firmed 4 to 94p, while GEC closed a similar amount higher at 382p, after 394p. Bael was supported and rose 7 to 216p, while BPE, 184p, and Ready Mixed Concrete, 160p, made similar progress.

Business in ICI began slowly, but hefty institutional interest developed and the shares responded with a gain of 9 to 374p. Elsewhere in Chemicals, Anchor put on 1 1/2 to 85p on vague bid rumours. Mid-term profits from Freeman proved to be below general market expectations and the shares fell to 153p before rallying to end a net 10 down at 163p. Other mail-order concerns were unsettled by the news; Empire, interim results due tomorrow, dipped 8 to 196p, while Grattan shed a couple of pence to 140p. 10 sharp contrast. DIX issues met renewed support and finishing with useful gains; Henderson-Kotom rose 7 for a two-day gain of 19 to 147p, while B and Q Retail put on 9 to 103p. Status Discount improved 6 to 83p following favourable Press

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FINANCIAL TIMES STOCK INDICES table with columns for Govt. Secs., Fixed Interest, Industrial, etc.

HIGHS AND LOWS table with columns for Govt. Secs., Fixed Int., Ind. Ord., etc.

ACTIVE STOCKS table with columns for Stock, Denomina-tion, Closing price, etc.

OPTIONS table with columns for DEALING DATES, Last Deal, etc.

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NEW HIGHS AND LOWS FOR 1979 table listing various stock categories and their performance.

RECENT ISSUES table listing newly issued stocks and their details.

RISES AND FALLS YESTERDAY table showing daily price movements for various sectors.

RECENT ISSUES table listing newly issued stocks and their details.

FIXED INTEREST STOCKS table listing government and corporate bonds.

FT-ACTUARIES SHARE INDICES table with multiple sub-tables for EQUITY GROUPS, FIXED INTEREST STOCKS, and various indices.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trst. Mgrs., Abbey Unit Trst. Mgrs. (a), Abbey Unit Trst. Mgrs. (b), etc., with columns for name, manager, and other details.

Table listing Mutual Unit Trust Managers (MUTM) including names like 10 Capital Ave., ECGP 7811, and their respective details.

Table listing various unit trusts such as National and Commercial, National President Inv. Mngrs. Ltd., and National Westminster (a).

Table listing various unit trusts such as Schiesinger Trust Mgrs., Trades Union Unit Trst. Managers, and Transatlantic and Gen. Sec. (a).

OFFSHORE & O'SEAS FUNDS

Table listing offshore and overseas funds such as Alexander Fund, Allen Harvey & Ross Inv. Mgt. (C.I.), and Arbutnot Securities (C.I.) Limited.

INSURANCE & PROPERTY FUNDS

Table listing insurance and property funds such as Abbey Life Assurance Co. Ltd., Aetna Life Assurance Co. Ltd., and Amey Life Assurance Ltd.

Table listing various insurance and property funds including Amey Life Assurance Ltd., Amey Life Assurance Ltd., and Amey Life Assurance Ltd.

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FT SHARE INFORMATION SERVICE

FOREIGN BONDS & RAILS

Table with columns: 1979 High, Low, Stock, Price, % Chg, Div. Yield, etc.

BANKS & HP - Continued

Table with columns: 1979 High, Low, Stock, Price, % Chg, Div. Yield, etc.

CHEMICALS, PLASTICS - Cont.

Table with columns: 1979 High, Low, Stock, Price, % Chg, Div. Yield, etc.

ENGINEERING - Continued

Table with columns: 1979 High, Low, Stock, Price, % Chg, Div. Yield, etc.

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Table with columns: 1979 High, Low, Stock, Price, % Chg, Div. Yield, etc.

AMERICANS

Table with columns: 1979 High, Low, Stock, Price, % Chg, Div. Yield, etc.

HIRE PURCHASE, ETC.

Table with columns: 1979 High, Low, Stock, Price, % Chg, Div. Yield, etc.

DRAPERY AND STORES

Table with columns: 1979 High, Low, Stock, Price, % Chg, Div. Yield, etc.

BEERS, WINES AND SPIRITS

Table with columns: 1979 High, Low, Stock, Price, % Chg, Div. Yield, etc.

BUILDING INDUSTRY, TENDER AND ROADS

Table with columns: 1979 High, Low, Stock, Price, % Chg, Div. Yield, etc.

CANADIANS

Table with columns: 1979 High, Low, Stock, Price, % Chg, Div. Yield, etc.

BANKS AND HIRE PURCHASE

Table with columns: 1979 High, Low, Stock, Price, % Chg, Div. Yield, etc.

ELECTRICALS

Table with columns: 1979 High, Low, Stock, Price, % Chg, Div. Yield, etc.

INTERNATIONAL BANK

Table with columns: 1979 High, Low, Stock, Price, % Chg, Div. Yield, etc.

COMMONWEALTH & AFRICAN LOANS

Table with columns: 1979 High, Low, Stock, Price, % Chg, Div. Yield, etc.

Public Board and Ind.

Table with columns: 1979 High, Low, Stock, Price, % Chg, Div. Yield, etc.

Financial

Table with columns: 1979 High, Low, Stock, Price, % Chg, Div. Yield, etc.

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FOOD, GROCERIES - Cont.

Table with columns: 1979 High, Low, Stock, Price, % Chg, Div. Yield, etc.

HOTELS AND CATERERS

Table with columns: 1979 High, Low, Stock, Price, % Chg, Div. Yield, etc.

INDUSTRIALS (Miscel.)

Table with columns: 1979 High, Low, Stock, Price, % Chg, Div. Yield, etc.

FOOD, GROCERIES, ETC.

Table with columns: 1979 High, Low, Stock, Price, % Chg, Div. Yield, etc.

CHEMICALS, PLASTICS

Table with columns: 1979 High, Low, Stock, Price, % Chg, Div. Yield, etc.

ENGINEERING MACHINE TOOLS

Table with columns: 1979 High, Low, Stock, Price, % Chg, Div. Yield, etc.

مركزنا الاجل

INDUSTRIALS—Continued

Table of industrial stocks including companies like Anglo, BHP, and various mining and manufacturing firms.

INSURANCE—Continued

Table of insurance companies such as Anglo, BHP, and various financial services providers.

PROPERTY—Continued

Table of property-related stocks and companies.

INVESTMENT TRUSTS—Cont.

Table of investment trusts and financial funds.

FINANCE, LAND—Continued

Table of finance and land-related stocks and companies.

NOMURA The Nomura Securities Co., Ltd. LONDON OFFICE: Bank Square, London E.C.2A. Phone: 011 494 2111.

MINES—Continued AUSTRALIAN

Table of Australian mining stocks including companies like BHP, Anglo, and various metal producers.

OILS

Table of oil and energy stocks.

OVERSEAS TRADERS

Table of international trading companies.

RUBBERS AND SISALS

Table of rubber and sisal stocks.

TEAS India and Bangladesh

Table of tea stocks from India and Bangladesh.

Sri Lanka

Table of Sri Lankan stocks.

Africa

Table of African stocks.

MINES CENTRAL RAND

Table of central Rand mining stocks.

EASTERN RAND

Table of eastern Rand mining stocks.

FAR WEST RAND

Table of far west Rand mining stocks.

O.F.S.

Table of O.F.S. (Overseas Finance and Securities) stocks.

FINANCE

Table of general finance stocks.

TINS

Table of tin stocks.

COPPER

Table of copper stocks.

MISCELLANEOUS

Table of miscellaneous stocks.

NOTES

Notes section containing various financial notices, company announcements, and market news.

REGIONAL MARKETS

Table of regional market data and indices.

OPTIONS 3-month Call Rates

Table of 3-month call option rates.

DIAMOND AND PLATINUM

Table of diamond and platinum prices.

CENTRAL AFRICAN

Table of central African stocks.

INSURANCE

Table of insurance companies.

PROPERTY

Table of property-related companies.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies.

FINANCE, LAND, etc.

Table of finance, land, and other companies.

INDUSTRIALS

Table of industrial companies.

INSURANCE

Table of insurance companies.

Vent-Axia The first name in unit ventilation...look for the name on the product.

Food industrial valuers

Ohira fails to meet election target

BY CHARLES SMITH IN TOKYO

JAPANESE voters upset all predictions last night by returning Prime Minister Masayoshi Ohira and the ruling Liberal Democratic Party to office with only 258 seats, two more than required to give it a bare majority in the 511-seat lower House of the Diet.

Without the independents the Liberal Democrats would have been a minority in the Lower House, although still much larger than any single opposition party.

The Liberal Democrats' failure to improve on their 1976 performance (when economic conditions in Japan were much worse than now) was attributed last night to complacency on the part of campaign organisers who assumed that victory was certain.

White MPs back Smith's rejection of proposals

BY TONY HAWKINS IN SALISBURY

ALL 34 members of the white Rhodesian Front parliamentary caucus who are in Zimbabwe Rhodesia, yesterday voted unanimously to support Mr. Ian Smith's rejection of Britain's constitutional proposals.

The caucus, comprising 34 members of parliament and 10 senators implicitly criticised Bishop Muzorewa, the Prime Minister, in its statement, saying that no good purpose was served by taking up hard and fast attitudes at this delicate stage of the negotiations and when the entire package deal is not yet known.

and of the security forces during the transitional period, it is thought. In its statement yesterday, the caucus said it "views it as essential to any settlement that sanctions are lifted, the war ended and recognition granted by the British Government."

North Sea profit just offsets fall in rest of industry

BY DAVID FREUD

A SHARP increase in profits from North Sea oil and gas just offset a 10 per cent decline in the profits of the rest of industry in the first half of the year.

LIVING STANDARDS AND PROFITS table with columns for Personal disposable income, Gross trading profits, and Sea oil and gas profits for 1977 and 1978.

Profits outside the North Sea in the April-June period rose 20 per cent from the low level of the first three months of the year when results are thought to have been affected by the severe winter and industrial disputes.

Official income and expenditure figures yesterday by the Central Statistical Office show that the recovery in profits net of stock appreciation in the first half at 10.2 per cent below the previous six months, seasonally adjusted. Compared with first-half 1978 there was a 1 per cent drop.

The figures show that consumers cut heavily into savings to heat the Budget shopping in the second quarter. Real disposable incomes continued to rise. People are 15.3 per cent better off than in mid-1977.

The North Sea profitability rise was enough to hold first-half profits of industrial and commercial companies at £3.62bn, only 8m less than in the previous six months. Excluding the North Sea, trading profits of industrial and commercial companies were £3.63bn in the second quarter, against £3.02bn in the first.

Weather UK TODAY RAIN. Brighter weather later. London, S.E. England, E. Anglia Cloudy. Occasional rain. Max. 19C (66F).

Tories urged to capture centre

BY RICHARD EVANS, LOBBY EDITOR

A CALL for the Conservative Party to capture the centre ground of British politics following the divisions in Labour's ranks was made by Lord Thorneycroft last night on the eve of the Tory conference.

Sparking at a press conference in Blackpool, he said, that last week's Labour conference had been bad news for everyone and had left a very heavy responsibility on the Government to represent "a democratic heart of the country, including the millions of trade unionists who voted for the Conservatives at the last election."

Esperanza refuses to aid subsidiary

BY ANDREW FISHER

ESPERANZA, the UK transport and trading group, is standing by its decision not to help a subsidiary successfully sued by a U.S.-controlled oil trading company for \$2.1m for inadequately checking the quality of an oil cargo.

Nippon initially refused to accept any of the oil but later agreed to take some. Aminoll received \$1.08m from International Petroleum Trading in settlement of breach of contract claims, while P and O has been paid \$725,000 for the cost of delays, cleaning and extra bunkers.

The UK group made this clear yesterday after Lord Denning, Master of the Rolls, lifted a stay of execution of the judgment made in July. It requires the subsidiary, Calab Brett and Son, to pay the sum to International Petroleum Trading controlled by Hamilton Brothers Oil of Denver, Colorado.

Commenting on Lord Denning's decision, Lord Kissin, the chairman of Esperanza, said: "According to legal opinion we have received, we cannot, without the directors making themselves personally liable to shareholders, pay this sum unless there are overriding commercial reasons." He added that it was the board's unanimous view that there were no such reasons in this case.

WORLDWIDE table with columns for City, Y'day, and Y'day midday, listing various international locations and their weather conditions.

Ladbroke

director of Ladbroke, will not be on the City and Provincial board. The casino division is being separated to minimise the risk that applications for the renewal of the Ladbroke casino licences will be refused next month, Mr. Stein said yesterday. The move would reduce or eliminate all possible connection between the casino operation and the parts of the Ladbroke Group which had allegedly breached the Gaming Act in the past.

In July this year, subsidiaries of Ladbroke were refused renewal of three casino licences by South Westminster Licensing magistrates on the grounds that they were not "fit and proper persons to be holders of gaming licences." The appeal by way of rehearing at Knightsbridge Crown Court will start on November 5.

Joseph will visit China early next year

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

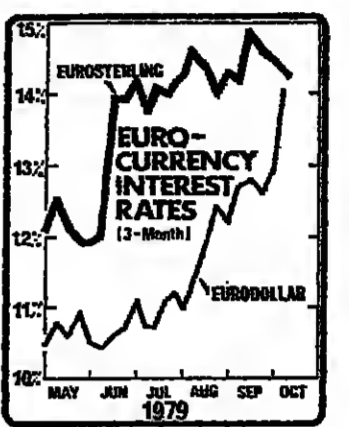
PLANS ARE being drawn up for Sir Keith Joseph, Industry Secretary, to visit China early next year, when he may have talks with Government leaders about potential industrial orders for UK companies.

Hua Guofeng visits London at the end of this month as the guest of the British Government. Britain has not obtained any major industrial orders since Mr. Eric Varley, then Industry Secretary, led a UK team to China at the beginning of this year. The possibility of orders, and the sale of the controversial Harrier jump jets, will be on the agenda while Chairman Hua is in Britain.

THE LEX COLUMN Glaxo's profits catch a cold

When Glaxo produced disappointing figures a year ago, the charitable assumption was that the group's profits had reached a temporary plateau waiting for new products to show through. This year there has been a decisive movement, but in the wrong direction: pre-tax profits are down to £72.5m from £88.4m.

Index rose 6.4 to 486.8



and would certainly have taken time. The rehearing starts on November 5, which leaves little leeway for seeking shareholders' approval to any changes.

So it is proposing to retain its casino, bingo and lottery interests in a wholly owned subsidiary, but to give that subsidiary as much autonomy as is practically possible, by making it directly answerable to Ladbroke shareholders. Ladbroke will distribute all the dividends which it receives from these interests, and since they only need to retain enough for working capital that could imply a higher payout ratio for the group as a whole.

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Markets The financial markets were moving in widely different directions in London as they tried to adjust to the weekend measures in the U.S. Without any lead from the New York markets, which were closed for Columbus Day, Sterling weakened sharply against the dollar, as did most major currencies, and gilled-edged lost half a point or more at both the short and long ends.

Freemans Freemans has pushed pre-tax profits in the six months to July up to £7.5m from £7.2m, and but for the transport strike, which it reckons may have cost £0.6m, net margins would have been held.

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Ladbroke Faced with the refusal of a London Licensing Committee to renew three of its casino licences, Ladbroke had four options. It could have done nothing—obviously a risky course pending the outcome of the rehearing. It could have tried to sell all or part of its casino interests, but it would not have got a price that even approached their value in terms of dividend paying power. It could have split off the casino division completely and distributed its shares to Ladbroke shareholders—but that might have brought tax complications.

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